

committee; to the Committee on World War Veterans' Legislation.

7916. By Mr. SHOTT: Resolution of the Bishop Safety Club, of Bishop, W. Va., representing a membership of 275, opposing the passage of the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

7917. Also, resolution of the Elkridge Safety Club, Elkridge, W. Va., opposing the passage of the Davis-Kelly coal bill as being detrimental to the bituminous-coal industry; to the Committee on Interstate and Foreign Commerce.

7918. Also, resolution adopted by the Scotia Coal & Coke Co. Safety Club, of Brooklyn, W. Va., opposing the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7919. Also, resolution adopted by the Laurel Creek Safety Club, Laurel Creek, W. Va., protesting the passage of the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

7920. Also, resolution of the employees of the American Coal Co., McComas and Widemouth, W. Va., opposing as harmful to the bituminous-coal industry the passage of the legislation known as the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

7921. Also, resolution signed by employees of the Mill Creek Coal & Coke Co., Coopers, W. Va., opposing the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7922. Also, letter signed by A. D. Knight, manager of the Monarch Oil Co., of Northfork, W. Va., opposing as highly injurious to the bituminous-coal industry and therefore endangering the economic status of many thousands of miners and their dependents, the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7923. Also, resolution of the Miners Safety Club, of Omar, W. Va., representing a membership of 340, opposing the passage of the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

7924. Also, resolution adopted by the Mead Smokeless Coal Co. Safety Club, Meade, W. Va., representing a membership of 225 miners and other employees, opposing the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7925. Also, resolution of the C. H. Mead Safety Club of East Gulf, W. Va., opposing the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7926. Also, resolution adopted by the McGregor Safety Club, Slagle, W. Va., opposing as detrimental to the bituminous coal industry the passage of the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

7927. Also, resolution of the Rossmore Safety Club, Rossmore, W. Va., opposing the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7928. By Mr. WYANT: Petition of Monessen Lodge, No. 168, Knights of Pythias, Monessen, Pa., protesting against reduction in salaries of Federal employees; to the Committee on Ways and Means.

7929. Also, petition of 50 citizens of Westmoreland County, Pa., protesting against the bill singling out automotive products for taxation, and urging instead some form of general tax to be used to raise the necessary revenue; to the Committee on Ways and Means.

## SENATE

TUESDAY, MAY 24, 1932

(Legislative day of Monday, May 9, 1932)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

### TARIFF ON COPPER

Mr. VANDENBERG. Mr. President, I submit my factual summary of the exhibits supporting the tariff on copper. This information should be available to the conferees. I ask

that it may be printed in the RECORD and referred to the Committee on Finance.

The VICE PRESIDENT. Is there objection?

There being no objection, the summary was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Fact No. 1. In 1883 copper metal was protected by a rate of 4 cents per pound. Copper has been upon the free list since 1894. No protection was sought when the Hawley-Smoot bill was enacted because domestic copper at that time could still hold its own with foreign competition. But conditions have dominantly changed in the last three years. I do not refer to the general economic depression, from which, of course, copper has not been immune, but from which copper has been a major sufferer. I do not refer to transient economic infirmities due to fluctuating international exchange, although here again copper has been a major victim. I specifically refer to a permanent change in the world-wide copper situation which brings unlimited new foreign deposits of high-grade ore into production upon a scale which literally swamps the copper markets of the earth. This is the new menace which completely differentiates the present copper crisis from any jeopardy ever heretofore confronted. This is the new menace which differentiates the copper crisis from all other commodity hazards. It is a permanent menace. Recurrent prosperity can not overtake it. It can be met only by tariff differentials. Copper is on the free list. It therefore can not be served by the United States Tariff Commission through its flexible powers. It can only be served as the pending amendment proposes. It is this or nothing.

Fact No. 2. Other countries do not hesitate to protect their copper. Why should we? There are copper tariffs in 26 of the leading countries of the world. Some of our chief competitors for the copper trade of the world build up their copper industry behind a protective wall. From behind this wall they invade the United States. From behind this wall they go out to meet us in quest of neutral markets. There is no right of complaint anywhere on earth if we finally come to a kindred interest in the defense and sustenance of our own American copper and its primary right to first purchase in our own American market. For 38 years we have given the world the privilege of free competition in this market, when we often had no such reciprocal right elsewhere. Thirty-eight years is long enough. We are entitled, by every rule of right and of self-preservation, now to look after our own.

Fact No. 3. Once upon a time we were copper exporters. Now we are net importers. No agile homiletics can disguise this fact. We began to be net importers, in both copper and copper manufactures in 1929. Mark the date. It bears upon my previous statement that copper conditions in the world have totally changed since the Smoot-Hawley bill was enacted. Our exports, excluding manufactures, declined from a peak of 504,000 short tons in 1928 to 236,000 tons in 1931. Our exports, including manufactures, declined from a peak of 552,000 tons in 1928 to 272,000 tons in 1931. Each succeeding year showed a serial decrease in exports until 1931, and each succeeding year showed a serial increase in imports until 1931. But that is not all. These malignant progressions are now sweeping ahead at frightful speed. Based upon the three months from December, 1931, to February, 1932, the annual projected copper export, exclusive of manufactures, has fallen to 157,000 tons. Including manufactures, it has fallen to 193,000 tons. Meanwhile the imports have risen to 428,000 tons. I beg of the Senate to conjure this figure. Four hundred and twenty-eight thousand tons coming in. Much less than half going out. The former figure persistently increasing. The latter figure persistently decreasing. He who runs may read. Domestic copper is doomed unless this Congress gives it some lease on life.

Fact No. 4. Once upon a time a dozen American States dominated the copper production of the world. Now these domestic operators are at the utter mercy of a rising copper tide on at least three continents. Whether this copper actually invades the American market or not—and much of it does—all of it rolls into the international market place and grinds the American production out of successful competition. The foreign production of new copper has risen from 242,000 tons in 1900 and 411,000 tons in 1910 and 709,000 tons in 1925 to 1,039,000 tons in 1930—with the tremendous new African production yet to make a major contribution. The American production, which was 303,000 tons in 1900 and 540,000 tons in 1910 and 837,000 tons in 1925, was down to 697,000 tons in 1930—and much lower since. But note the monstrous sweep in these authenticated figures: Foreign production, from 44 per cent of the world's supply in 1900 to 60 per cent in 1930, and rapidly going up; American production, from 56 per cent in 1900 down to 40 per cent in 1930, and rapidly going lower. The foreign production capacity at the end of 1932 is set at 1,618,000 tons. Mark you: This is more than the whole world's copper consumption in 1930—very much more than the world's total consumption prospectively in 1932. Is it not obvious that American copper confronts new conditions without precedent? Is it not plain that these conditions involve permanent hazard which nothing but a tariff differential can offset?

Fact No. 5. For the 31-year period from 1900 to 1930 the average selling price of copper was approximately 15.9 cents per pound. Even excluding the war period, the average was 14.8 cents per pound. In 1931 the price averaged a trifle over 8 cents per pound. Copper now sells in the neighborhood of 6 cents. It can be sold at 6 cents in the United States from many of these foreign properties and actually net a profit. It can not thus be sold from the



great mass of American copper properties. The reason will presently appear. It is the price itself which stands out as the devastating fact No. 5—a price which reflects not only the generally lowered commodity index but a price which particularly reflects this new and permanent flood of cheap foreign competition—a price which reflects the permanent ruin of the domestic mines. If all of the proposed 4-cent duty were to be added to the American price, it would be only 11 cents, which is far below the normal average. But a 4-cent rate is not an embargo rate. Furthermore, there are large surplus stocks above ground. The full tariff will not be reflected in the price. The full protection of American copper would justify a rate of 9 or 10 cents. We ask but half of this consideration. We are justified by both mathematics and fair play.

Fact No. 6. The reason why foreign copper can rob domestic copper of its home market is the fact that foreign ore is inherently richer—the average copper content of domestic ore being about 1.6 per cent as compared with from 4 to 6 per cent elsewhere—and the still more vital fact that foreign production costs are substantially lower than our own. These operating costs vary both at home and abroad in different properties. We must deal in averages. When the United States Tariff Commission reported comprehensively upon these costs, it did not have the benefit of full figures upon the new African developments. Yet it frankly disclosed a dangerous differential. Other and additional figures are now available. The Frood mine of the International Nickel Co. of Canada shows an operating cost of 3.18 cents per pound. Additional financial charges at the figure reported by the Tariff Commission shows a total cost of 6.57 cents per pound. In Katanga, in Africa, the actual costs are frankly concealed even from stockholders, because the president of the corporation candidly tells them it isn't wise to let the world know how low these costs are. In Rhodesia the best information shows an operating cost of 5.3 cents per pound. Labor in Katanga—native black labor—runs from 5½ to 34¼ cents per day. Labor in Rhodesia runs from 35 cents to 75 cents, with all charges included. These are the elements against which our American mines and our American miners are asked to contend.

Using the commission's figures as a basis, there has been developed a comparison of average costs which shows the adjusted average foreign costs to be 8.07 cents per pound, which, compared with the commission's figure of 13.29 cents per pound for the United States, gives a difference of 5.22 cents per pound. Hence the proposed 4-cent tariff rate.

Fact No. 7. The Tariff Commission shows that 40 per cent of domestic production costs over 14 cents a pound. It is obvious that the proposed tariff can not save all of our domestic production. It is equally obvious that it will not shut out all foreign copper; first, because copper is a by-product in some of these alien properties and will be sold without regard to cost; second, because a substantial portion of the foreign copper is produced under quasi-governmental control in connection with colonization policies and will be marketed for less than cost of production if necessary; third, because even a slight raise in the American price will make it possible for some of these low-cost producers to continue to invade the American market without loss. Even the full advantage of the tariff would still leave the price so low, in comparison to domestic costs, that there would be no incentive to overproduction. Therefore, we shall have a rate which (a) permits a substantial portion of American production to survive; (b) which permits a substantial revenue to the Government from the imports which are calculated to come to us regardless of price, (c) which automatically protects the public against a price gouge; (d) yet which, for this latter reason, is calculated to produce a livable stabilized domestic price, free from the fluctuations which have been the bane of existence for fabricators and manufacturers as well as producers.

Fact No. 8. This amendment offers no danger to American refiners and smelters and their American business. They can refine imported copper in bond and send it back into the world's market without burden or interruption or added cost. They can refine American copper the same as ever. Indeed, it is to their distinct advantage that a supply of domestic copper to be refined should be maintained. Otherwise they may automatically share the present desperation of domestic copper itself. American smelters and refiners had a lucrative business in the treatment of foreign copper in 1928. But much of it has since been threatened or lost. This loss has been due to the recent construction of modern smelters and refineries abroad. Belgium has expanded its refining facilities to meet the requirements of Katanga. Canada has completed one large smelter and two refineries. Germany has a new refinery. Sweden and Russia now have new refining plants under construction. There is no question about this trend. The report of the Tariff Commission at page 62 specifically points it out. Far from threatening the prosperity of domestic smelters and refineries, the proposed amendment actually promises to save an ore supply for them and thus to defend them against the real threat of emigrating business. They can still handle foreign business, I repeat, without interruption, if they can continue to get it. When they can't get it, this amendment will give them the assurance of some domestic business to do. No American smelter or refiner needs to fear this amendment unless—as in the case of the one hostile witness before the Finance Committee—his corporation is more interested in its alien copper investments than in its domestic operations. I submit that these alien considerations are not entitled to be persuasive with us at a moment when the

Senate is charged with the dreadful responsibility of serving and saving the United States.

Fact No. 9. This amendment offers no danger to American fabricators and manufacturers. For their export trade they are protected by the familiar draw-back which leaves them upon even terms in their competition for foreign markets. For their domestic trade they are protected in price differentials by reasonable and adequate compensatory rates. These are not shotgun guesses. They are not stabs in the dark. The whole proposed rate structure has been as scrupulously studied as any tariffs that ever reached the statute books. They have been canvassed in repeated conferences with fabricators and manufacturers to verify their integrity. They have been painstakingly surveyed by and with the experts of the Tariff Commission. Their administrative feasibility has been approved by the Commissioner of Customs, who unhesitatingly says the schedule is practical. They have been studied in conjunction with the Senate's legislative counsel. No precaution has been ignored or avoided. Under these terms the entire industry—meaning the American industry—is safe. Witnesses, speaking for copper fabricators and manufacturers, have so testified to the Finance Committee. The sole question at the bar of the Senate is whether we want the American industry to be safe. Our sympathies and our judgments are in the jury box. It is a capital case. The verdict spells life or death for American livelihood in all or part of Arizona, Utah, Montana, Michigan, Nevada, New Mexico, California, Tennessee, Colorado, and North Carolina—with copper also present in Washington, Oregon, Idaho, Texas, Pennsylvania, and Georgia. Truly it is a nonsectional, nonpartisan, national emergency demanding answer in kind.

#### CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Hull	Robinson, Ind.
Bankhead	Couzens	Johnson	Sheppard
Barbour	Cutting	Jones	Shipstead
Barkley	Dale	Kean	Shortridge
Bingham	Davis	Kendrick	Smith
Blaine	Dickinson	Keyes	Smoot
Borah	Dill	King	Steiwer
Bratton	Fess	La Follette	Stephens
Brookhart	Fletcher	Lewis	Thomas, Idaho
Broussard	Frazier	Logan	Thomas, Okla.
Bulkeley	George	Long	Townsend
Bulow	Glass	McGill	Trammell
Byrnes	Goldsborough	McNary	Tydings
Capper	Hale	Moses	Vandenberg
Caraway	Harrison	Norris	Wagner
Carey	Hastings	Nye	Walcott
Cohen	Hatfield	Oddie	Walsh, Mass.
Connally	Hayden	Patterson	Walsh, Mont.
Coolidge	Hebert	Reed	Watson
Copeland	Howell	Robinson, Ark.	Wheeler

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

#### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter from Hon. V. S. K. Houston, Delegate from Hawaii, transmitting copy of resolutions adopted by the board of supervisors of the county of Maui, Territory of Hawaii, protesting against the passage of legislation that would restrict or curtail the rights, duties, and privileges of the citizens of Hawaii in respect of local self-government, which, with the accompanying paper, was referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate a resolution adopted by the Cook County (Ill.) Board of Commissioners favoring a \$5,000,000 prosperity loan to establish a nation-wide program of public-work improvements, which was referred to the Committee on Manufactures.

He also laid before the Senate a letter in the nature of a petition from a citizen of Rochester, N. Y., praying for the loaning of \$1,000,000,000 at between 2 and 3 per cent to the railroads of America so as to create employment and help business, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by the Tacoma (Wash.) Chamber of Commerce, favoring the balancing of the Budget and substantial retrenchment in governmental expenditures, which was referred to the Committee on Appropriations.

He also laid before the Senate a letter from George A. Hartley, M. D., of Battle Creek, Iowa, favoring the loaning of sufficient money to the railroads to buy their own bonds, also



the balancing of the Budget and retrenchment in governmental expenditures, which was referred to the Committee on Appropriations.

He also laid before the Senate a telegram in the nature of a petition from Joe I. Cromwell, of Muskogee, Okla., praying that the Senate include sufficient funds in the appropriations for the Army to continue the services of officers retired or detailed to active duty in schools, under the national defense act, to train reserve officers, which was referred to the Committee on Appropriations.

He also laid before the Senate a letter from McFarlane & Wiley (experts in economic technique), Chicago, Ill., transmitting copies of their files relative to Budget savings, which, with the accompanying papers, was referred to the Committee on Appropriations.

He also laid before the Senate a resolution adopted by the Municipal Council of Pangil, Laguna, P. I., favoring the granting of independence to the Philippine Islands, which was ordered to lie on the table.

He also laid before the Senate a memorial of sundry citizens of St. Louis, Mo., remonstrating against the imposition of taxes on the automobile industry and favoring instead some form of general tax to be included in the pending revenue bill, which was ordered to lie on the table.

He also laid before the Senate a letter from the Lexington (Ky.) Board of Commerce, signed by Henry K. Millward, its president, favoring the early completion of the congressional legislative program and final adjournment of the present session of Congress in June, 1932, which was ordered to lie on the table.

He also laid before the Senate a resolution presented to the Southern Baptist Convention, St. Petersburg, Fla., favoring the designation of a national day of prayer for America in the present economic crisis, which was ordered to lie on the table.

Mr. SHORTRIDGE presented the petition of officers and members of the Railway Employees Club, of Barstow, Calif., praying for the passage of legislation providing for the regulation of motor vehicles used in the interstate transportation of freight and passengers for hire, which was referred to the Committee on Interstate Commerce.

He also presented memorials, numerous signed by sundry citizens of Los Angeles and vicinity, in the State of California, remonstrating against the imposition of taxes on the automobile industry in the pending revenue bill, which were ordered to lie on the table.

Mr. TYDINGS presented resolutions adopted by United States Marines Post, No. 1, and Second Division Post, No. 27, both of the American Legion, Baltimore, Md., favoring the passage of legislation eliminating or reducing the interest rate on loans to veterans on adjusted-service certificates, which were referred to the Committee on Finance.

He also presented memorials of sundry citizens of the State of Maryland, remonstrating against the imposition of taxes on the automobile industry and favoring instead the adoption of some form of general tax in the pending tax bill, which were ordered to lie on the table.

Mr. GOLDSBOROUGH presented letters in the nature of memorials from several citizens of the State of Maryland, remonstrating against reductions in the compensation of Federal employees, which were referred to the Committee on Appropriations.

He also presented a letter in the nature of a memorial, from E. C. Graham, jr., of Baltimore, Md., remonstrating against the adoption of section 502 (b) and (c) of House bill 11267, the legislative appropriation bill, relative to utilizing the services of officers in the Engineer Corps of the Army on public works, construction, and activities, which was referred to the Committee on Appropriations.

He also presented a letter from the Kalak Water Co., New York City, N. Y., setting forth the fact that Kalak water is offered solely as a medicine and protesting against the proposal to tax it as a bottled mineral water, which, with the accompanying paper, was ordered to lie on the table.

He also presented a letter in the nature of a memorial from Charles H. Knapp, president of the International League of

Professional Baseball Clubs, Baltimore, Md., remonstrating against the amusements tax being made applicable to minor-league baseball clubs, and favoring the exemption thereof, which was ordered to lie on the table.

He also presented a letter in the nature of a memorial from the Baltimore Chewing Gum Co., of Baltimore, Md., remonstrating against the imposition of a 3 per cent tax on chewing gum, which was ordered to lie on the table.

He also presented letters and telegrams from sundry citizens of Baltimore and Odenton, Md., and New York City, N. Y., urging various changes and amendments in the pending revenue bill, which were ordered to lie on the table.

He also presented memorials and letters in the nature of memorials from sundry citizens and organizations in the State of Maryland, remonstrating against the imposition of taxes on the automobile industry in the pending revenue bill, which were ordered to lie on the table.

He also presented letters in the nature of memorials from several publishing companies and other firms of Baltimore, Md., and New York, N. Y., remonstrating against increases in postage rates, which were ordered to lie on the table.

He also presented letters in the nature of petitions from several citizens and organizations in the State of Maryland, praying for inclusion of a manufacturers' sales tax in the pending revenue bill, which were ordered to lie on the table.

He also presented letters and telegrams in the nature of memorials from sundry citizens and organizations in the State of Maryland, remonstrating against the imposition of a tax on bank checks, which were ordered to lie on the table.

Mr. BARBOUR presented a resolution adopted by the Chamber of Commerce of the Plainfields, of Plainfield, N. J., favoring the balancing of the Budget and retrenchment in governmental expenditures, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by Corporal Mathews-Purnell Post, No. 518, Veterans of Foreign Wars of the United States, of Camden, N. J., protesting against reductions in appropriations for the Army, which was referred to the Committee on Appropriations.

#### REDUCTION IN OFFICER PERSONNEL OF THE ARMY

Mr. BARBOUR presented a letter from Hon. Clifford R. Powell, New Jersey State senator, of Mount Holly, N. J., relative to proposed reduction in the officer personnel of the Regular Army, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed in the Record, as follows:

MOUNT HOLLY, N. J., May 20, 1932.

HON. WARREN G. BARBOUR,

Senate Office Building, Washington, D. C.

DEAR SENATOR: I believe that the proposed reduction in officer personnel of the Regular Army would be a very serious mistake. I am particularly interested as an officer of the New Jersey National Guard with nearly 20 years of service.

Great strides in efficiency have been made by the National Guard in this country since we have had sufficient Regular Army personnel assigned to us for inspection and instruction. The proposed reduction will bring about a serious reduction in the number of officers available for training of the National Guard.

As you know, the National Guard is virtually a volunteer army and is now part of our first-line defense. It is absolutely necessary to the maintenance of proper efficiency that the present allotment of Regular Army officers with the National Guard be continued.

I inclose herewith data giving other reasons, to all of which I personally subscribe.

Very truly yours,

CLIFFORD R. POWELL.

#### REDUCTION OF ARMY OFFICERS

1. The Army appropriation bill proposes to reduce the commissioned strength of the Army to 10,000, made up as follows:

Promotion-list officers.....	8,930
Non-promotion-list officers.....	1,070

Total authorized strength.....	10,000
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Based on the estimated strength as of July 1, 1932, this will require reductions as follows:

Promotion-list officers.....	1,814
Non-promotion-list officers.....	356

Total reduction.....	2,170
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2. The selection of the officers to accomplish this reduction is confined to those most advanced in age in each grade, with a



provision that 5 per cent of such older officers in each grade may be retained and younger officers selected in lieu thereof.

3. Any reduction is inimical to our national defense: 14,063 officers is the minimum required to enable the Regular Army reasonably to carry out its mission prescribed by Congress in the national defense act. Due to appropriation limitations the annual average has been kept down to 12,000, with a consequent shortage of officers with many of the Army's most important functions.

4. A reduction as now proposed necessarily will result in a drastic curtailment of Army activities in training the civilian components—National Guard, Organized Reserves, and Reserve Officers' Training Corps.

5. Such a reduction will make it impossible to maintain the small, balanced, mobile force so necessary for emergencies.

6. It will make it impossible to man, even in part, our essential seacoast defenses.

7. It will not permit the Army to provide anything approaching adequate garrisons for our overseas possessions.

8. Even with the present strength the shortage of officers with troop units is a matter of grave concern.

9. The Army school system would be wrecked. The World War demonstrated the necessity of these schools for the training of officers. Just as trained officers are keystones in national defense, the schools are keystones in the officers' training.

10. The saving reported by the committee, which exceeds the War Department estimate, amounts to less than 3 per cent of the amount expended for pay of the Army. In comparison with the damage to national defense which would result, such a saving is triflingly insignificant. From the standpoint of national defense it is manifestly a penny-wise and pound-foolish proposition.

11. In normal times such a reduction would be serious enough, but in the present state of world affairs it well might result in a national catastrophe. To literally hamstring national defense as such a reduction would do is a responsibility thinking men and women will hesitate to assume.

12. Realizing the extreme danger to our country of effecting an economy by reducing the Army, the chairman of the Appropriations Committee of the House, Mr. BYRNS, on April 5, 1932, at a hearing before the Economy Committee made the following statement to the Secretary of War, Mr. Hurley.

"It does seem to me that a man like yourself, who is a real business man, as secretary of national defense, could make considerable saving, not by reducing the Army personnel, because I do not want to see that done; not by reducing the Navy, because I have always stood for preparedness; but in the administrative cost."

13. A drastic contraction of Medical Department activities necessarily would result. Those pertaining to the National Guard, the Organized Reserves, and the Reserve Officers' Training Corps will have to be practically abandoned, and the care of the veterans will, of necessity, be greatly curtailed.

14. Finally, due to the necessary drastic curtailments of many essential activities, the provisions of and the policies laid down by the national defense act would be practically nullified; the morale of the Army personnel would be shattered; and our national defense dealt a staggering blow.

#### METHOD OF REDUCTION

1. The method proposed for the selection of the officers to accomplish the reduction is even more astounding than the reduction itself. With the 5 per cent leeway the selection must be based on age alone.

2. Such a plan is purely arbitrary and has nothing to recommend it.

3. Relative professional or physical fitness is excluded from consideration.

4. Individual efficiency as demonstrated by records of service is pushed out of the picture.

5. A large percentage (many times greater than 5 per cent) of the best trained, most efficient officers of the widest experience in the Army would be forced out.

6. The interests of the Government are in no way conserved by this arbitrary method.

7. If there must be a reduction, the yardstick of efficiency is the only sound basis for selection.

8. In the event of any reduction the Government has the right to retain the most efficient officers, and the interests of national defense demand their retention.

9. Many colonels of the ability, efficiency, and experience for selection as general officers would be ruthlessly plucked on the eve of achieving the culmination of a successful military career.

10. Likewise high ranking officers in the other grades would be forced out just prior to promotion to a grade where they would be among the youngest officers in the grade, while less efficient officers would be retained.

11. This age-alone method takes no account of the special technical and professional requirements of the different branches of the Army, with the result that certain branches—e. g., the Quartermaster Corps, the Finance Department, and the Judge Advocate General's Department—would lose considerably more than 50 per cent of their personnel.

12. The statement in the committee's report that this reduction would serve to correct unfortunate promotion conditions has no basis in fact, is misleading and absolutely incorrect except as to the limited acceleration due to the small reduction on May 31, 1933, to make room for the 1933 West Point class.

13. To the contrary, the removal of the 2,000 older officers would so delay and diminish retirements for age, a potent source of attrition, as to materially retard rather than accelerate promotion.

14. Entire classes of the Military Academy will be forced out under this method. The great majority of the officers affected are in the prime of their usefulness, far removed from normal retirement.

15. A striking injustice would be done World War officers who entered the Army in 1920. The national defense act (June 4, 1920), under the provisions of which these officers came into the Army, provided the following minimum age requirements for appointment in grades as follows:

	Years
Colonel	48
Lieutenant colonel	45
Major	36

Forced by act of Congress to be of such age in 1920 before they could enter the Army, they now of necessity, by the mere passage of time, are among those who would be forced out by act of Congress. It is inconceivable that the Congress will permit such an injustice to be consummated.

16. Present calculations under this age-alone method show that every officer appointed in 1920 in the grades of colonel, lieutenant colonel, and major of necessity will be included in the group who are forced out.

17. Contrary to the committee's report practically none of these officers are receiving the higher pay rates for their grades. Many of them receive as much as \$150 per month less than younger officers in the same grade who will be retained.

18. It is apparent that the age-alone method does not provide the maximum saving.

19. Among those affected by this age-alone method would be many distinguished officers of both Spanish-American and World War service, including numerous recipients of the medal of honor, distinguished-service cross, distinguished-service medal, and silver-star citation for gallantry in action. The 5 per cent leeway is far from sufficient to take care of them.

20. The inference in the committee's report that this age-alone method is in accord with the recommendation of the Interdepartmental Pay Personnel Board is decidedly misleading and inaccurate. This board's report in its entirety clearly shows they recommended that any compulsory removals should be made solely upon the basis of efficiency with a view to retaining those officers who are of greatest value to the service.

#### CONCLUSION

Retrenchment that cripples national defense is not economy. Everything in war, and for war, can be improvised except the trained officer. An efficient and sufficient corps of officers spells the difference between victory and defeat.

Skilled officers, like all other professional men, are the result of continuous and laborious study, training, and experience. There is no short cut to the peculiar type of knowledge they must possess.

To deplete our already inadequate corps of officers would be a most serious blow to our national defense; to accomplish such depletion by forcing out skilled officers due to age alone would be unsound in principle, unfair, and unjust both to the officers and to their country—an extravagance rather than an economy.

#### REMONETIZATION OF SILVER

Mr. WHEELER presented petitions of sundry citizens of the State of Montana, which were referred to the Committee on Finance and ordered to be printed in the RECORD without the signatures after the first, as follows:

HAVRE, MONT.

Hon. B. K. WHEELER,  
Washington, D. C.

SIR: We, the undersigned citizens of Montana, would appreciate anything you could do in regard to having the silver bill passed, that is now pending. An establishment of a bimetallic system of currency, employing gold and silver, would be the greatest thing that has ever been done for this State and Nation. We urge an early passage of the silver bill as introduced by you in Congress.

HARRY SODERBERG (and others).

WOLF POINT, MONT.

We, the undersigned citizens of Roosevelt County, Mont., believing that agriculture is one of our basic industries and that the economic security of our Nation is dependent upon the economic security of the American farm, favor such legislation as will provide for the solvency of the American farmer.

We believe that the only way out of the present depression is to raise commodity prices and thereby reduce the burden of debt. Under the present gold standard debts contracted three years ago, if paid this year, would require three times the amount in farm commodities as when they were contracted. All of the important countries of the world have gone off the gold standard except France; it is therefore impossible for us to trade with them. This keeps commodity prices down.

We feel that if prosperity is to return to this country, we must go off the gold standard, which is the cause for most of our economic ills.



We, therefore, respectfully petition the Senate of the United States of America to pass the Wheeler silver bill, No. S. 2487, which provides for the remonetization of silver by providing for the free coinage of silver as well as gold at the fixed ratio of 16 to 1.

P. R. DOUGHERTY (and others).

#### REPORT OF THE JUDICIARY COMMITTEE

Mr. BORAH, from the Committee on the Judiciary, to which was referred the bill (H. R. 96) to punish the sending through the mails of certain threatening communications, reported it with an amendment and submitted an additional report (No. 727) thereon.

#### BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 4739) conferring jurisdiction on the United States District Court for the District of Oregon to hear, determine, and render judgment upon the suit in equity of Rakha Singh Gherwal against the United States; to the Committee on the Judiciary.

By Mr. TRAMMELL:

A bill (S. 4740) granting a pension to Mary Estella Vail; to the Committee on Pensions.

By Mr. HATFIELD:

A bill (S. 4741) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Wellsburg, W. Va.; to the Committee on Commerce.

By Mr. THOMAS of Oklahoma:

A bill (S. 4742) authorizing and directing that 5 per cent of any amount or amounts hereafter appropriated to pay judgment or judgments in favor of the Cherokee Indians by the Court of Claims be paid to Frank J. Boudinot, in full for his services and expenses for and on behalf of said Indians prior to July 19, 1923, and for other purposes; to the Committee on Indian Affairs.

By Mr. COPELAND:

A bill (S. 4743) granting a pension to Jessica G. Roome; to the Committee on Pensions.

By Mr. SHIPSTEAD:

A bill (S. 4744) for the relief of Howland & Waltz Co. (Ltd.); to the Committee on Claims.

By Mr. WATSON:

A bill (S. 4745) granting an increase of pension to Catherine Grady (with accompanying papers); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 4746) to authorize the closing of a portion of Virginia Avenue SE., in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. WAGNER:

A bill (S. 4747) to provide for the entry under bond of exhibits of arts, sciences, and industries, and products of the soil, mine, and sea; to the Committee on Finance.

A bill (S. 4748) authorizing the Secretary of War to lease or to sell certain lands and buildings known as Fort Schuyler, N. Y., to the city of New York; to the Committee on Military Affairs.

A bill (S. 4749) granting a pension to Matthew A. Henson; to the Committee on Pensions.

By Mr. HULL:

A bill (S. 4750) to amend the tariff act of 1930, and for other purposes; to the Committee on Finance.

By Mr. BINGHAM:

A joint resolution (S. J. Res. 164) proposing an amendment to the Constitution of the United States relating to the manufacture, sale, or transportation of intoxicating liquors; ordered to lie on the table.

By Mr. SMITH:

A joint resolution (S. J. Res. 166) to authorize the Reconstruction Finance Corporation to purchase certain State teachers' salary certificates; to the Committee on Finance.

#### MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 6477) to further amend the naturalization laws, and for other purposes, and it was signed by the Vice President.

#### MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on May 23, 1932, the President approved and signed the act (S. 4193) to authorize the issuance of bonds by the St. Thomas Harbor Board, Virgin Islands, for the acquisition or construction of a graving or dry dock.

#### PROHIBITION ENFORCEMENT

Mr. BINGHAM. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in this morning's Washington Herald entitled "Pershing Speaks." The VICE PRESIDENT. Without objection, it is so ordered.

The editorial is as follows:

[From the Washington Herald, May 24, 1932]

#### PERSHING SPEAKS

A word from General Pershing carries great weight.

His position in the life of the Nation is unique. He is regarded with universal respect and affection. He speaks rarely and never at length. Since the close of the World War he has been careful to refrain from participation in political or partisan activity of any kind.

Just as in the war he represented the Nation's united purpose and composite strength, his occasional utterances since the war seem not the expression of an individual viewpoint but rather that of a broad and comprehensive national opinion.

In an article in the current issue of the American Magazine General Pershing discusses the prevalence of crime and the spread of corruption, which he regards as a grave menace to our well-being and the perpetuity of our institutions.

He stresses the duty which rests upon the individual citizen to make his influence felt on the side of law and order, and to that end he suggests the organization of local committees to vigilantly supervise the maintenance of the law, bringing support to faithful officials and discipline or replacement wherever they fail in their duty.

General Pershing admits that he has in mind the vigilance committees of olden times in our frontier communities which, by simple and straightforward measures, preserved respect for law when violent crime seemed gaining the upper hand.

He does not hesitate to connect the vain attempt to enforce prohibition with the great growth of the bootlegging business.

"I am convinced," says he, "that prohibition has largely financed the new postwar underworld of ours. Vast profits have drawn multitudes into the bootlegging business, and once outside the pale of the law, they do not hesitate to turn to racketeering and other forms of crime. Thus a criminal army has been built up which defies the very Government itself."

These are pregnant words, uttered by one of the most illustrious of Americans—a man whose love of country can not be questioned and who has served it with a patriot's zeal. It is the true voice of America.

General Pershing speaks not as the Scribes and Pharisees but as one with authority.

#### THE PRESIDENT AND THE POLITICAL SITUATION

Mr. WALSH of Montana. Mr. President, Members of the Congress must have been impressed with a persistent and what seems to be concerted effort to bring the Congress into disrepute and disfavor and to point to the President as the one patriotic personality in public life. An article by Mr. Carlisle Barger on in the morning Washington Herald is appropriate to that effort. I ask that the article be incorporated in the RECORD.

The VICE PRESIDENT. Without objection it is so ordered.

The article is as follows:

[From the Washington Herald, May 24, 1932]

#### THE LISTENING POST

By Carlisle Barger

It was perhaps poetic justice that two groups of congressional kibitzers should get caught yesterday in such silly errors as to cause mirthful relief to the strained nerves of Capitol Hill.

First it developed that the man to whom Mr. Hoover addressed his letter of Sunday denouncing the public works bond issue does not, so far as known, even exist. Certainly the addressee to whom



Mr. Hoover poured out his heart, Richard S. Parker, of New York, is not the president of the American Society of Civil Engineers for whom the letter was intended. The president of the society, instead, is Mr. Herbert S. Crocker, of Denver.

Fortunately, the letter was carried in the newspapers, so Mr. Hoover's position is known, whether his letter is ever delivered or not.

Then there was another letter over the week-end, apparently gotten up by that eminent kibitzer, Dr. Nicholas Murray Butler. It is surprising that men like Governor Ritchie and Al Smith lent their names to it except that it is the smart thing to do, nowadays, to blame it all on Congress.

This letter boldly called upon Congress to lay aside partisan consideration and work for the good of the country. Of course, Congress hasn't been trying to do that. Only the President and our Nicholas Murray Butlers and our Wall Street brokers and our bankers are working unselfishly for the country.

Well, at any rate the letter was addressed to Representative Caisp as the "majority leader" of the House. Mr. Caisp is not even the chairman of the House Ways and Means Committee with which he has been identified. He is the acting chairman.

In so far as Professor Butler is concerned I believe this reflects how much he really knows about Congress, and the same would apply to the great majority of those bankers, brokers, and others who have joined in the general propaganda against it, the most vicious I have seen in my time and a propaganda which, in my opinion, is downright dangerous.

And the propaganda has a purpose, of course.

It is inspired by administration sources with a view to turning the light from Mr. Hoover and making it appear that had it not been for the obstructionist tactics he would have put through a program that would have gotten the country out of its mess.

This political strategy is not new. Indeed, it is used on the eve of every campaign. The Republicans in Congress subscribe to it and aid it. The party in power bases its campaign around its President.

If he can be built up, then the individuals running for the House and Senate have only to run as a "supporter" of his. They are not hurt as individuals in the propaganda against Congress, because the propaganda is not directed against any individual but against that highly nebulous body—Congress.

The absurdity of it all would be apparent to anyone who gave any thought to it, because there are more than 500 men composing the body.

This particular campaign, however, is more vicious than any I have ever seen, and there is a serious question as to whether it in itself is not what is retarding recovery as much as anything else.

If business is so frightened about Congress that it simply can not move until it adjourns, what is it that made business that way? The answer, of course, is the propaganda that has been leveled against the Congress, so strong and vicious in this instance, that unquestionably the country has lost confidence in it. If that is a pretty situation in times like this, I'll eat my hat.

Because Congress has got to stay here until it finishes its job, regardless of the Nicholas Murray Butlers, the bankers, or the brokers.

I have just read on the financial pages that the market was a little nervous yesterday because the House didn't pass the beer bill.

Mr. Hoover is calling 30 or more of the country's outstanding newspaper publishers to the White House either to-morrow or the next day. I don't know just what his purpose is. Maybe it is another move to get everybody cooperating.

Maybe it is to heap on more propaganda against Congress. Maybe the stuff which the Washington correspondents are writing for these papers should be censored.

Whatever is the purpose, these publishers will get a lot of light on the situation if they ask Mr. Hoover as soon as they sit down if it is true that he had intended to use his influence against the insertion of the tariff items in the tax bill, but was called off by Republican leaders on the ground that if four Republican Senators didn't get this tariff protection they would be defeated in the coming campaign.

It is, of course, the fight over these tariff items that is now holding up the revenue bill. Mr. Hoover's leadership would have saved considerable time.

#### REVENUE AND TAXATION

The Senate resumed the consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

Mr. SMOOT. Mr. President, at a meeting of the Finance Committee this morning the question of taxation on mutual insurance companies on insurance against losses by hail, cyclone, and so forth, was taken up for consideration. By a unanimous vote of the committee it was decided that the amendments heretofore proposed by the committee relating to this matter be disagreed to in order that the existing law, which is the House text, may remain as it is.

Mr. NORRIS. Mr. President, I would like to ask the Senator if that is the part of the bill upon which the committee had hearings just the other day?

Mr. SMOOT. Yes; it is.

Mr. WALSH of Massachusetts. May I say to the Senator from Nebraska that this action in the committee was taken on motion of the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. NORRIS. I have no objection to it.

Mr. SMOOT. I send the amendments to the desk and ask that they be disagreed to.

The VICE PRESIDENT. Let the amendments be stated in their order.

The first amendment stated was, on page 63, after line 4, to strike out:

(11) Farmers' or other mutual hail, cyclone, casualty, or fire insurance companies or associations (including interinsurers and reciprocal underwriters) the income of which is used or held for the purpose of paying losses or expenses.

And in lieu thereof to insert:

(11) Mutual hail, cyclone, casualty, or fire insurance companies or associations (including interinsurers and reciprocal underwriters) of the type commonly known as "farmers," "county," "town," or "local" mutuals, the income of which is used or held for the purpose of paying losses or expenses.

The amendment was rejected.

The next amendment stated was, on page 156, line 15, after the word "sums," to strike out "other than dividends paid" and insert "(other than dividends) paid or incurred," so as to read:

(B) The sums (other than dividends) paid or incurred within the taxable year on policy and annuity contracts.

The amendment was rejected.

The next amendment stated was, on page 157, line 8, after the word "their," to strike out "policyholders and the amount of premium deposits retained for the payment of losses, expenses, and reinsurance reserves" and insert "policyholders, and, unless otherwise allowed, a reasonable net addition to reinsurance reserves," so as to read:

(3) Mutual insurance companies other than life and marine. In the case of mutual insurance companies (including interinsurers and reciprocal underwriters, but not including mutual life or mutual marine insurance companies) requiring their members to make premium deposits to provide for losses and expenses, the amount of premium deposits returned to their policyholders, and, unless otherwise allowed, a reasonable net addition to reinsurance reserves.

The amendment was rejected.

Mr. NORRIS. Mr. President, I presume it will not be necessary to read again the amendment which I submitted last night. I desire to offer it.

The VICE PRESIDENT. The Senator from Nebraska offers the amendment which he submitted last evening.

#### AMELIA EARHART PUTNAM

Mr. WALCOTT. Mr. President, I desire to introduce and ask unanimous consent for the immediate consideration of a joint resolution authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam. I would like to make a statement with reference to it after the joint resolution shall have been read.

The VICE PRESIDENT. Let the joint resolution be read for the information of the Senate.

The joint resolution (S. J. Res. 165) authorizing the President of the United States to present the distinguished-flying cross to Amelia Earhart Putnam was read the first time by its title and the second time at length, as follows:

*Be it resolved, etc.,* That the President of the United States is authorized to present the distinguished-flying cross to Amelia Earhart Putnam for displaying heroic courage and skill as a navigator, at the risk of her life, by her nonstop flight in her plane, unnamed, from Harbor Grace, Newfoundland, to Londonderry, Ireland, on May 20, 1932, by which she became the first and only woman, and the second person, to cross the Atlantic Ocean in a plane in solo flight, and also established new records for speed and elapsed time between the two continents.

Mr. WALCOTT. Mr. President, Amelia Earhart Putnam made her notable trans-Atlantic flight on exactly the fifth anniversary of the flight of Col. Charles A. Lindbergh, on May 20, 1927, which startled the whole world.

Vice president of the National Aeronautical Association, she first obtained her license to fly in 1920. Subsequently she was awarded the first F. A. I. license granted to a woman



by the National Aeronautical Association. She holds the third transport license granted to an American woman. She was the first woman to pilot a plane in solo flight across this continent and return. This was in 1928. She was the first woman to cross the Atlantic by air. This was in June, 1928. She established the first woman's altitude record and the first woman's maximum speed record.

Amelia Earhart Putnam now holds the woman's speed record over a 100-kilometer course, with and without a 500-kilogram load. She was the first woman to fly with an autogiro and the first to cross the continent and return with a plane equipped with an autogiro. She holds the autogiro altitude record of 18,415 feet.

Amelia Earhart Putnam has to her credit in excess of 1,500 solo hours. Her Atlantic nonstop solo flight of 2,065 miles gives her the woman's long-distance record. She is the only person who has ever crossed the Atlantic twice by airplane. She and Colonel Lindbergh are the only two who have crossed the Atlantic in solo flight.

Modest, retiring, resourceful, and courageous, she flew across the north Atlantic for fun and for the honor of her sex.

I ask unanimous consent that the joint resolution be put upon its passage.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

#### MILLION-DOLLAR INCOMES

Mr. LONG. Mr. President, I send to the desk and ask to have read a clipping from the Oklahoma City newspaper. I am sure none of my colleagues would like to offer it, because it is in the nature of a criticism, but I think it ought to be inserted in the RECORD so that the opposite side may be properly presented.

The PRESIDENT pro tempore. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

#### DOWN TO THE LAST MILLION

So when I saw the outbreak of red rash that followed Huey's proposal to limit incomes to a million bucks per year I said to myself: That's hokey. Think of limiting people—the best people—to a lousy million a year.

Dear reader, do you know what that means? Did you ever try to skimp along on a measly million dollars a year? Did you ever even sit down and try to figure out how far a million will go when stretched over 365 days?

Of course you haven't. You don't give a tinker's rap how the other half lives. But I'm not that kind of a brute. It ain't in me to see folks suffering. So I did figger it out, and here is the gruesome result:

#### BUDGET FOR FAMILY OF FOUR

Having income of not more than \$1,000,000 per annum, consisting of father, mother, daughter, and doggy.

##### FOOD

3 meals a day for three, at \$33.33½ per meal..... \$36,500

##### CLOTHING FOR FATHER

1 new suit a day at \$100..... 36,500  
1 suit of B. V. D.'s a day at \$10..... 3,650  
1 pair of new shoes a day at \$10..... 3,650  
A new set of shirts, socks, neckties, suspenders, and collar buttons per week at \$100..... 5,200  
26 straw hats at \$10..... 260  
26 felt hats at \$10..... 260  
25 topcoats and overcoats at \$100..... 2,500  
50 walking sticks at \$10..... 500  
1 new pair of gloves per day at \$10..... 3,650  
Incidental apparel..... 5,000

Total..... 61,270

##### CLOTHING FOR MOTHER

A new gown per day at \$100..... 36,500  
A new set of lingerie every day at \$10 per set..... 3,650  
A new pair of shoes per day, \$10..... 3,650  
A new set of pajamas, nighties, and other unspeakables at \$20..... 7,300  
New set of jewelry per season at \$10,000..... 40,000  
26 summer hats at \$20..... 5,200  
26 winter hats at \$20..... 5,200

3 fur coats at \$1,000..... \$3,000  
Pair of new gloves a day at \$10..... 3,650  
Things I can't think of..... 10,000

Total..... 118,150

##### CLOTHING FOR DAUGHTER

Double that of mother, or..... 236,300

##### UPKEEP OF DOGGY

1 new sweater a day at \$10..... 3,650  
1 hoghead of milk per day at \$5..... 1,825  
1 200-pound hog per day at \$10..... 3,650  
5 spring lambs per day at \$2 each..... 3,650  
Manicuring, massaging, and putting permanent wave in tail at \$10 daily..... 3,650  
Salary of night watchman, turning dog over in his sleep..... 1,000

Total upkeep of doggy..... 17,405

##### LODGING

Upkeep of town house..... 100,000  
Plus wear and tear on 4 cars and 10 servants..... 50,000  
Upkeep on hunting lodge, including wear and tear on 1 guide, 2 cooks, 1 butler, 2 maids, and 1 guy for everything..... 50,000  
Upkeep private yacht with crew..... 100,000

Total..... 250,000

##### DRINKS

50 barrels of wine at \$200..... 10,000  
100 barrels of Scotch at \$500..... 50,000  
100,000 bottles of home-brew at 2 cents apiece..... 2,000  
1 tank car mixed drinks..... 10,000

Total..... 72,000

##### SMOKES

1 carload of cigarettes..... 11,300

##### TRAVELING EXPENSES

Including mother's trip to Reno and father attending session of breach-of-promise suit..... 41,000

##### MISCELLANEOUS

Education, bridge cards, recreation matches, church dues, bottle openers, club dues, charity, poker chips, art, shoe shines, etc..... 64,000

##### GRAND TOTAL

Now let's recapitulate and see what we've got:  
Food for three..... 36,500  
Clothing for three..... 415,720  
Upkeep of doggy..... 18,425  
Lodging..... 350,000  
Drinks..... 72,000  
Smokes..... 11,300  
Traveling..... 41,000  
Sundries, miscellaneous, and indispensables..... 64,000

Grand total..... 1,008,945

There, what did I tell you—every dollar of that million gone, eight thousand bucks in the hole, and no telling where the next meal's gonna come from.

So if you see that HUEY LONG, just tell him for me that if he thinks a family can get along on less than a million a year, that's all hokey. Besides, I know a thousand cotton pickers' families in his State that spent almost that much last year between them.

##### REVENUE AND TAXATION

The Senate resumed the consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Nebraska [Mr. NORRIS].

Mr. NORRIS. Mr. President, let me preface my remarks on the pending amendment by saying that I have been and still am in full sympathy with those Senators who wanted to dispose of the pending bill as soon as possible. I believe that feeling is shared by every Member of the Senate. If the Senate had not already gone into the tariff field and adopted amendments providing for tariff rates on certain specific, selected products, I would not have offered this amendment. If the Senate had kept out of the tariff field and the amendment had then been offered, I would have voted against it. It seems to me unwise in this bill at this time to try to enter the domain of tariff legislation. But, Mr. President,



the Senate has passed that line, and I see no reason why, inasmuch as four selected articles have been put into the bill and tariff rates provided for them, any Senator who has in mind any other item upon which he thinks a tariff should be levied is not entitled to the same honest and fair consideration as has been accorded to oil, lumber, copper, and coal. I have tried my best, Mr. President, to cooperate with those in charge of the bill, as I think all other Senators have, to bring about a fair and speedy termination of the action of the Senate upon the measure.

I am offering this amendment in the exact form in which the Senate agreed to it upon the tariff bill, and practically in the same form in which the Senate agreed to it when we considered the farmers' marketing act. So twice this amendment has been agreed to, both times by a substantial majority.

When I offered it on the tariff bill, I made one change in it to meet an objection which had been urged by President Hoover as it had been presented at that time. I did not believe the objection was valid; I did not believe it had any merit whatever; but, realizing that the President had a different view, and had so expressed himself publicly, I added a provision to the amendment to meet his objection.

Mr. President, the object of this amendment is to give the farmers of the United States the benefit of the protective tariff on agricultural commodities. It seems to me, therefore, since we have a protective tariff, and since it is conceded that the producers of the commodities which feed our Nation should be treated the same as the manufacturers and others who have the benefit of tariff duties, that, regardless of whether a Senator believes in a tariff or is opposed to a tariff, he ought to support this amendment. Indeed, it only gives to the farmer the benefit of one-half the tariff that is levied upon his products. It shows on its face that it is designed to give to the farmer one-half of the tariff rates under existing law. It is conceded that he now gets no benefit whatever in that direction.

The President of the United States in his campaign for election announced that one of the three major things he was going to do, if he became President, was to give the farmers the benefit of the tariff. The effort he has made in that direction is confined to the existing so-called farm marketing act. I am sorry to say that he is opposed to what is known as the debenture method of giving the farmer this benefit. Nevertheless, as I have said, the Senate has twice, after a full debate, by a substantial majority each time, passed this particular proposition.

Mr. President, I listened the other day with a great deal of interest to the Senator from Washington [Mr. JONES], who sits by my side. Incidentally, I sat by his side in the House of Representatives before we came to this body. I have enjoyed an intimate acquaintance with him during all my public service in Washington. I have for him the greatest of respect. I recognize his sterling honesty and his conscientiousness. When he made his speech here a few days ago in favor of a tariff on lumber he pictured a scene out in the lumber country of the State of Washington that must have been appealing to every person who could hear what he said. He pictured the suffering and the misery and the hardships of those who depend upon the lumber business for a living. He plead with his associates here for a tariff upon lumber—a tariff that in effect is an embargo.

I could take his speech in the CONGRESSIONAL RECORD and read all that part of it in which he was describing the condition of the people of Washington, and it would apply 100 per cent to the farmers who live in the great Middle West and who produce the food that keeps this Nation alive. I could have applied it to the southern part of South Dakota and to a tier of counties in the northern part of Nebraska where drought and grasshoppers have brought affliction to all farmers. It would have applied also to every farmer in the great prairie part of our country—farmers dependent for their livelihood upon the tilling of the soil. They are all suffering in this great depression. They were suffering before the manufacturing East felt the misery that came when this depression finally engulfed the whole country.

We warned you then that agriculture was suffering. At first you laughed at us. You said there was no farmer question; but we told you then, we told you many times, that unless you gave relief to stricken agriculture, eventually that injury to the fundamental corner stone of our prosperity would bring down the entire temple in ruins upon our heads.

That time has come. Our prophecies have been proven by history to be true. Now we are taking one part of the country, as my good friend from Washington [Mr. JONES] so well described it, suffering in misery and suffering for the necessities of life, and we propose, and have already gone that far, to relieve the sufferings of the people living in the lumber country by adding to the sufferings of those who till the soil in the great Middle West.

There is none of us who would not be glad to relieve human suffering wherever we find it; but, Mr. President, it seems to me it is a mistake to go into two sections of our country, both suffering, both having millions of people who are not able to support their families and their children and keep them from want, and say to one class of those suffering people, "We will relieve your burdens by adding to the sufferings and the hardships of those who are in just as bad condition as you are."

That is what the tariff on lumber means. That is what the tariff on coal means; and, Mr. President, I can not help but digress, perhaps, for just a moment to say that it seems to me we have gone tariff crazy. Wherever we find something wrong we are going to remedy it by a tariff; and we are going to put the resulting burdens upon those people who are already suffering, often in a greater degree than those for whose benefit the tariff is levied.

We ought to conclude from that, it seems to me, that no matter what we may think, no matter what we may want, this demonstrates that we can not get blood out of a turnip. This demonstrates that we can not relieve the sufferings of one section of our people by adding to the burdens of another portion. It demonstrates that if we want to produce revenue we must go to the sources where the revenue exists. No matter what our theories may be, no matter what we may think about justice or injustice or the cause of all this trouble or anything else, if we are going to raise revenue we shall have to raise it from the men who have the revenue.

That, it seems to me, is the reason why we have been mistaken in relieving the big incomes, the large inheritances, the people who have incomes and who inherit property away beyond the limits of the power of money to bring comfort or happiness. We are going to relieve them, and we are going to do it at the expense of the downtrodden and the overburdened who are already suffering under burdens which they can not bear.

It is not my intention to delay the Senate with a debate on this particular measure, because I think every Senator understands it. It was debated so fully and completely by the Senate in the last Congress that I would hardly feel warranted now in taking up any great amount of the time of the Senate in discussing it further. I believe that all people who have studied it agree with me that this method will bring relief to agriculture to the extent of one-half of the tariff levied upon the various items of agriculture. Its mode of operation is comparatively simple. It will not require a great amount of machinery. It undertakes in no way to transgress, I think, upon the constitutional rights of anybody or any set of men. It goes on the theory that we have adopted the protective-tariff policy in this country, and it undertakes to equalize the prosperity that protection brings among all the people of the country.

It is conceded now that the farmer in the field who produces for illustration, let us say, wheat, and has in the aggregate an overproduction of, let us say, 200,000,000 bushels in any given year, gets no actual good from the tariff. It is of no benefit to him, because, as every student of economy knows, the surplus above the possible consumption in our own country—the surplus that must be sold abroad in the world's market—fixes the price of the entire product. This amendment does what President Hoover said should be done,



and what those who supported him echoed and reechoed over the country: "Prosperity will come, because Hoover will make the farmer equally prosperous with the manufacturer. He will give the producers of this country the benefit of the tariff."

Everybody knows that that has not yet been done. This amendment does not give the farmer the full benefit of the tariff, though it ought to, I think. The debenture ought to be for the full amount of the tariff; but those who are behind the debenture have taken only one-half of it and said, "We will be satisfied if you will give us the benefit of one-half of the tariff. While manufacturers and others in other fields get the benefit of all of it, give us one-half. We get no benefit now."

It is conceded, I think, that to the extent of one-half of the tariff this plan will work. It does not pay any of this money out of the Treasury of the United States from the general fund. It goes on the theory that we are all wedded, whether we like it or not, to the protective-tariff theory, and it puts the farmer in the same basket with the manufacturer and all others, so as to give the farmer an equality under the tariff.

Here is the tariff on manufactured goods and other goods, bringing in an immense amount of money; but the farmer, because he produces a surplus of food, is unable to get the benefit of the tariff on his products. He gets no benefit from it; and so we say, "Out of the revenue that comes from the tariff coming in to benefit those who do get the benefit of the tariff, we will pay to the producers who get no benefit one-half of the amount of tariff on their various items of production."

Mr. DILL and Mr. COUZENS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Nebraska yield; and if so, to whom?

Mr. NORRIS. I yield first to the Senator from Washington.

Mr. DILL. Mr. President, has the Senator computed, or had computed for him, the amount that the debenture will diminish the revenue that comes in from tariff rates?

Mr. NORRIS. No; I have not. It will diminish it, of course.

Mr. DILL. Has the Senator any idea of the amount?

Mr. NORRIS. I should not want to make a guess with regard to it, but it will reduce the revenue to some extent.

Mr. DILL. Of course, the debenture must come out of that revenue.

Mr. NORRIS. It comes out of that.

Mr. BROOKHART. Mr. President—

Mr. NORRIS. I yield to the Senator from Iowa.

Mr. BROOKHART. Are the rates that are proposed half of the tariff rates, as they were before?

Mr. NORRIS. Half; yes.

Mr. BROOKHART. The master of the Grange estimated about \$100,000,000 before upon that proposition. Personally, I do not think that is enough. I think it will be more.

Mr. NORRIS. I should think myself that it would be greater than that.

I yield now to the Senator from Michigan.

Mr. COUZENS. Mr. President, I was about to ask the same question that the Senator from Washington asked; but I was wondering whether the Senator could not find out from the Treasury Department just how much the pending proposal would upset the Budget, and what effect it would have on the Government revenue?

Mr. NORRIS. Mr. President, in the first place, I did not intend to offer this amendment until a day or so ago; and then it depended upon the action of the Senate on these other tariff items. Therefore, I had not taken up the matter with the department. In the next place, I will say to the Senator, that I should look with some suspicion upon any figures that came from the Treasury Department, if they gave them to us.

I would not have said that if I had not been asked the question, but I have seen so many figures from the Treasury Department which merely carried out their idea of what they wanted, which seemed to me to have been gerrymandered to

meet those ideas, that I would not want to rest my case on figures coming from the Treasury Department.

Mr. DILL. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. NORRIS. I yield.

Mr. DILL. I remind the Senator, in this connection, that last year we appropriated \$500,000,000 for the Farm Board to help the farmers, and I think it can be safely said that half that amount was lost and very little benefit was received by the farmers. So that if it took \$100,000,000 to carry out the pending amendment, it would be far less in the way of cost than the former plan, and we know this would do some good.

Mr. NORRIS. Mr. President, I think on principle we should not consider that question, although, of course, the adoption of this plan would have an effect on the revenues. Here is the proposition as I see it. We have a protective tariff. The farmer has to bear his share of the burden, and he does not get his share of the benefit, which is what we want to give him through this amendment. If in giving him his share of the benefit we cut down the amount of money which comes in from tariff collections which would otherwise go into the Treasury, that would only go to equalize the benefit, under our theory. We have no right, it seems to me, to say, "We will not equalize the tariff for the farmer, because some of the money which it would take to equalize it would otherwise get into the Treasury. You would stop it on its way." If we want to be fair—and I think we do—we must admit to start with that all of our people are to be put on as nearly equal a basis as possible so far as tariff benefits are concerned.

Mr. CONNALLY. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. CONNALLY. Would not the effect of the debenture simply be to allow the farmer to exchange in foreign markets his goods for foreign goods and to bring those goods in free of duty? That would be the effect of it, and to that extent, since he has to sell in a free market, it simply gives him the privilege of exchanging his goods in a free market and bringing back from foreign countries manufactured goods free of duty. It would take no money out of the Treasury.

Mr. NORRIS. It would take no money directly out of the Treasury. It would stop money on its way to the Treasury.

Mr. CONNALLY. It would simply stop money from going into the Treasury.

Mr. NORRIS. This is what the effect would be: When the farmer had produced a surplus, he would be given what is designated by the Farm Board as a debenture. For instance, as to wheat, for every bushel the farmer exported to foreign countries the board would give him a piece of paper called a debenture, which would show that he had exported so much wheat, and that debenture's value would be arrived at by multiplying the number of bushels of wheat he exported by one-half of the tariff on wheat. Then it is provided that the debenture will be received at 100 cents on the dollar in the payment of tariff duties on any imports coming into the United States.

When this plan was first proposed, that is as far as it went. President Hoover offered some objections to it, and his principal objection, as I have read the objections, was that the importers, who would have to buy these debentures, would organize and force down the value of the debentures. To my mind, the debentures would sell for a fraction of a cent under par, because they would be worth a hundred cents on the dollar to the importer in paying duties. It would be like the exporter having a \$100 bill that was good only to the importer. If the importer could buy it for \$99 or \$99.50, he would make as clear profit the difference between what he paid and what it would be worth to him when he used it in paying export duties on foreign products.

Mr. HULL. Mr. President, will the Senator yield?

Mr. NORRIS. In just a moment. The President said the importers would form a combination and would not pay



anywhere near par for the debentures. So in this amendment—and it was the same when I offered it to the tariff bill—I have provided that the Secretary of the Treasury, out of any money in his hands coming from import duties, should buy these debentures at 98 cents on the dollar. That would insure their always selling above that amount in the market.

Now I yield to the Senator from Tennessee.

Mr. HULL. If the Senator has stated it, I did not hear it, as we could not hear him very well on this side, but what is the estimated price level of wheat, for instance, carrying out the illustration the Senator submitted, in this country under the operation of the debenture plan compared with the price level of the wheat we export and sell abroad?

Mr. NORRIS. The price of wheat in the domestic market would immediately go above the price in the world market by one-half of the tariff on wheat.

Mr. HULL. That is the estimated increase?

Mr. NORRIS. Yes. There can be no possible doubt about that. I do not think that is questioned even by the enemies of the plan. It would mean that the price of wheat here would go up to above the world price by the amount of the debenture named in the bill, which is one-half of the tariff.

Mr. HULL. So that by the expenditure of \$100,000,000 in operating the debenture plan we would accomplish an increase of 21 cents a bushel on the entire 600,000,000 bushels of our domestic wheat production on the average?

Mr. NORRIS. Yes.

Mr. BROOKHART. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. I yield.

Mr. BROOKHART. In regard to the matter just touched upon by the Senator from Tennessee, the Farm Board claims that its operations are at this time raising the price of wheat about 15 cents above the price in the world market; that is, after allowance for freight to the world market. So that this would add 21 cents and make the price that much above the world market price. It seems to me that at the present low prices of farm commodities half the tariff, and even all the tariff, would not be enough to protect the cost-of-production price.

Mr. NORRIS. I agree with that, and always have, that while we were clamoring about doing something for the farmer we were saying to those who were opposing our efforts, "We will accept just one-half of what we give to everybody else." That seems to me much more than fair; and I can not conceive, myself, why we should push the farmer out of the tariff picture. I can not understand why we should continue to compel the farmer to buy in a protected market and sell in a free-trade market; why we should compel him, as we do under our tariff laws, to buy on this side of the tariff wall and to sell his products on the other side of the tariff wall.

Mr. DILL. Mr. President, will the Senator yield again?

Mr. NORRIS. I yield.

Mr. DILL. When we raised the rates on farm products, of which we produce more than we consume, we did it on the theory that it would help the farmer; but the practical operation has been that it does not help the farmer at all. The only way in which he can be helped in the price of the product is through the plan the Senator proposes, and the only way in which he can be given equal treatment with the manufacturer, which was the intent in the adoption of the tariff rates, is through this plan.

Mr. NORRIS. I agree with the Senator, and I thank him for his suggestion.

Mr. SMITH and Mr. THOMAS of Idaho addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Nebraska yield, and if so, to whom?

Mr. NORRIS. I will yield in just a moment.

I have often said it before, and I do not want to become obnoxious by repeating it, but I do want to say once again that it is an impossibility for us to continue a permanent policy which will compel the men and women who toil and

produce the food we eat and the clothes we wear to do their labor at less than cost. They are doing that now, and have been doing it for a long time. It will not work as a permanent policy. People with education, people who have tasted freedom, people who have the ability and the sense to see the difference between the way they are downtrodden and the way others are reeking in wealth, will not forever submit to a policy which permits that.

In common justice we owe it to the men and the women who do our work and produce our food to see that they should not become peasants or slaves, that they should be put upon a basis of equality with all of us, and if it does take some of the money that would otherwise get into the Treasury, the answer is, Mr. President, that we should levy a greater tribute upon those who have so much money that they do not know what to do with it, and can not possibly use it for enjoyment or any other profitable purpose.

I yield first to the Senator from South Carolina.

Mr. SMITH. Mr. President, I just wanted to state that it is impossible for the farmers to organize and gather resources sufficient to enable them to charge enough to enable them to make a profit, taking into consideration the domestic consumption, the amount of the tariff, and the exportable balance, selling their products in competition with other articles. This plan would simply give the farmer at least a part of the wherewith to buy in the protective market, where, under the law, he is forced to buy.

Mr. NORRIS. Yes. Referring again to my friend the senior Senator from Washington [Mr. JONES], who made an earnest plea and a perfectly honest plea for his people, I want to say again that, no matter what our beliefs may be or what our disagreements may be about economic policy, we must come back to the proposition that one can not pull himself over a fence by hauling on his bootstraps. We can not get money where there is no money. The Senator can not relieve his people who are in the lumber business by making it impossible for my people to buy their lumber. It does not make any difference what one's theory of government may be, there are farmers who are living now in houses dilapidated and falling down, farmers who have no decent houses in which to live, who have no barns in which to stable their stock, but who want to buy lumber. Lumber is one of the necessities of the farmer's existence. He must buy it; and if the price of lumber is raised so high that he can not buy it the lumber business will be ruined, because lumber will be no good to those who own it unless they can sell it. They must have purchasers.

Mr. THOMAS of Idaho. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. THOMAS of Idaho. I am very much interested in the Senator's statement on the debenture and I have been very friendly to it and have supported it. But a few days ago the Committee on Agriculture and Forestry accepted and authorized a report of the new farm bill which has been agreed upon by the farm organizations of the country. That bill provides that it shall be optional with the Farm Board to use either the equalization fee, the debenture, or the allotment plan. The bill has the support of all the farm organizations of the country, and I am very anxious that it shall be brought to a vote before this session ends. I am wondering why we could not consider that whole bill rather than the debenture which is now presented here. I am simply raising the question.

Mr. NYE. Mr. President, will the Senator from Nebraska yield to me for a moment?

Mr. NORRIS. I yield.

Mr. NYE. The Senator from Idaho makes manifest an interest in the so-called McNary bill, which, for his information, I might advise him at this time was offered yesterday by me as an amendment to the pending tax bill.

Mr. THOMAS of Idaho. Would there be any objection to offering it as a substitute for the pending amendment, because it would take care of the debenture, as well as the other features?



Mr. NYE. I see no reason why it should be offered at this time as a substitute before we have had a chance to debate the issue that is before the Senate at this time.

Mr. THOMAS of Idaho. The adoption of the debenture at this time would preclude any consideration of the general farm bill.

Mr. NYE. Not at all. It seems to me that the adoption of the debenture would pave the way for the offering of those features in the McNary bill which are not covered by the debenture.

Mr. NORRIS. Mr. President, let me say a word or two on that. I did not expect to discuss it, but I want to be practical, and I believe the Senate wants to be practical. I am in full sympathy with those who are behind the bill of which the Senator speaks, although I am not familiar with a good many of its details. I realize that it would probably be an impossibility to put upon the pending bill as an amendment the bill to which the Senator refers. I doubt very much if that would be possible.

Mr. THOMAS of Idaho. I was asking for information, as I am anxious for action.

Mr. NORRIS. I meet the Senator in the same spirit in which he asks the question. I think this is a practical and comparatively simple method. It may not be the best method. Experience may show that we will want to discard it for one of the various other suggestions, but it has twice had the favorable consideration of the Senate. In its very terms it is the simplest method that has ever been proposed. It is not original with me. I do not claim to be the originator of the plan. I am claiming nothing for myself. I have had other plans which I have laid aside because of this.

Personally, I voted for all of the various remedies for farm relief, except the allotment plan, which has never yet been presented to the Senate. As to some of them I had some doubt. One of the doubts I had was the complex machinery usually required to put them into effect. But I was willing to submerge any technical objection I might have. I think we ought to be willing even to take a chance if necessary to save agriculture, to save the farmers of America from being slaves—in a more true sense, however, to save our country itself because our farmers never will be slaves. Do not forget that.

Mr. MCGILL. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Kansas?

Mr. NORRIS. I yield.

Mr. MCGILL. I find in the amendment offered by the Senator from Nebraska the following language:

(a) Whenever the board provided for in the agricultural marketing act approved June 15, 1929, finds it advisable, in order to carry out the policy declared in section 1 of said agricultural marketing act, with respect to any agricultural commodity, to issue export debentures with respect to such commodity, said board shall give notice of such finding to the Secretary of the Treasury.

I am wondering if the Senator from Nebraska means by that that the debenture plan is only to be effective upon action taken by the board mentioned in the agricultural marketing act.

Mr. NORRIS. Yes; I say that is true, and I say it with a great deal of reluctance. We have gone as far as we possibly could to meet those who have opposed farm relief. In this case we have gone so far as to put it in within the power of the President's board to say whether and under what conditions they will proceed to operate under the bill as to any given products.

Mr. MCGILL. Does not the Senator feel that it would be better policy to make the plan effective regardless of the decision of the board?

Mr. NORRIS. Yes; I frankly say to the Senator it would be, but we have to depend for the enforcement of this law and the carrying out of its terms upon the executive functions of the executive department of the Government. I am assuming they would carry it out in good faith. We put this power with the board, which really puts it with the

President. I am assuming that if this is the law they will act in good faith under it. I do not think we legislate with any other idea.

Mr. FRAZIER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from North Dakota?

Mr. NORRIS. Certainly.

Mr. FRAZIER. Since the debenture plan was voted on before, when it was offered as an amendment to the tariff bill and on one other occasion, the situation has changed a great deal. Agricultural prices have gone down materially. One-half of the tariff as a debenture is not enough under present conditions. While it might help the farmers and will, of course, help them, it is not enough, and it is unfair to take only one-half of the tariff as a debenture as a means to help agriculture under present conditions.

Mr. NORRIS. I think there is a great deal in what the Senator said. As I said, it does not go as far as I would like to see it go, but those of us who have been trying to get relief for the farmers of America have been in this plight ever since the war. We have met with all kinds of opposition. We have compromised on all sorts of occasions to get something. We have brought in bill after bill only to see them destroyed and defeated by the influence of the administration, both this administration and the one preceding it and the one preceding that.

I am not challenging or questioning the good faith of those who are opposed to this kind of legislation. In the beginning there was much opposition here and in the other body where the first McNary-Haugen bill was defeated after long debate. I can see the viewpoint of those who are opposing it. We were proposing to do something that had never been done before. It was something new. We were proposing to enter into legislative fields hitherto untried. We realized that. We realized that we were treading in new territory, and we met defeat after defeat, first because it was said we were entirely wrong, that we had an entirely erroneous idea as to the condition of agriculture. But as the years passed on the distress commenced to percolate through all lines of business activity, and we have now reached a condition where most honest people will admit that our country can not continue permanently in a prosperous condition if agriculture, the foundation of all prosperity, is languishing and those who are doing the work are not making a living out of it.

It seems to me that is a fundamental proposition. We have said time and again, "If what we propose will not work, then let some one else bring forward something." The various bills which the Committee on Agriculture and Forestry have brought in here were introduced after careful consideration. We have said, "This is something new. Some things about it are rather indefinite, as we know and admit. But it is the best we can do." We have labored conscientiously and earnestly for years and years, listening to the tales of woe and distress that would turn a heart of stone to pity, those tales coming from all over the great West and Northwest.

We felt that something must be done. We realized that other Senators had not had the opportunity we of the committee had in listening to the stories that were narrated to us. We realized that other Senators did not have the information possessed by the Committee on Agriculture and Forestry about the distress and discomfort. We said time and again, as one bill after another was presented, "If this does not suit, you do something, you formulate a bill, you bring it in." I have made that outcry many times to the President of the United States. "Bring in something yourself. Propose something yourself." Never once until the marketing bill was presented did anyone ever bring a bill that it was even claimed would meet the conditions which we found to exist. We know what happened under the operation of that bill. That was Hoover's answer to the pledge he made to the American people that if he was elected President he would put the farmer on an equality with the manufacturer. Every child knows that measure has failed.



A good many of us who studied the subject said, "Unless you take care of surplus production you can not get a remedy that will work." No one has been able to show any remedy that will be effective and bring relief to American agriculture unless we take into consideration some method by which we will take care of the surplus.

Mr. President, I would be delighted if this amendment would result in levying higher taxes upon wealth. If we adopt the amendment, it will be necessary to do something of that kind. It ought to be done. I would be glad if that would be the result, because we have been too lenient with those who have big incomes. We have been too lenient with those who insist on controlling hundreds of millions of dollars' worth of property, not only while they live, but after they are dead as well.

Mr. LONG. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. I yield.

Mr. LONG. While the Senator is discussing that point, it becomes very appropriate at this time to remind him of his suggestion on a previous occasion that according to the Treasury estimates—and I agree that they are not sacred by any means—about \$100,000,000 to support the debenture will be taken out of the revenues to be produced under the terms of the bill. Are those the figures?

Mr. NORRIS. That is the figure given by the Senator from Iowa [Mr. BROOKHART]. I want to be fair with the Senator from Louisiana. In my judgment it will take more than that. It will depend upon which of the products are utilized by the board.

Mr. LONG. The position we are in is this. Suppose that under the debenture it is necessary to take such a sum as that. I favor the debenture in principle and would like to see it the law. An effort is to be made to take the tariff items out of the bill which we have put on the bill. Motions have been made to reconsider them.

Mr. NORRIS. No; the Senator can not get anything of that kind from what I said. What I did say was that it might result in increasing the rates on wealth. I am only referring to income and inheritance taxes.

Mr. LONG. I agree with that, but what I am saying is this. At least our tariff items are going to bring some revenue.

Mr. NORRIS. Yes; some of them will. I think the tariffs on coal and lumber will prove to be an embargo.

Mr. LONG. If we adopt the debenture plan, does not the Senator think then the position he has taken about taking the tariff items out of the bill ought not to be reconsidered; that those matters ought to become a closed chapter because he is going to take \$100,000,000 out, and he will have to find some more money for that purpose to take the place of the tariff money? I think the Senator is right in stating that what we should do is to help the farmer and not be so liberal with the big incomes in the United States as we have been in the past, as shown by past votes.

The point I am making is this: Some of us here are trembling and shaking about this thing. My State has to have this oil tariff or we are not going to be able to continue to operate our schools. Our State treasury is empty. But if we vote this debenture, would the Senator feel then, inasmuch as he had taken out \$100,000,000, that certainly we ought not to bother the tariff items and take the funds out there; or are we going to have a double-barreled shotgun, that Senators who want to take the tariff out will insist upon that plan on the one hand, while some others want to take the tariff issue entirely out of the bill?

Mr. NORRIS. First let me say it seems to me if I occupied the position the Senator does, I would want a tariff on oil. The other items will provide some revenue—I do not believe there is any doubt about that—and so will the other products included with oil. It seems to me if we pass this bill and anybody makes an attack again on the oil tariff that has been put into it, the Senator would be in a better position to resist it if this amendment were added than if it were not added. The only thing we will be trying to do is

to get more revenue to meet what this takes out, and the Senator could logically say, "If you take out this tariff on oil, you are going to have to hunt additional places to get revenue."

Mr. LONG. I would like to have that argument appeal to the Senator from Nebraska. If it does, I would feel a whole lot safer. I think it is a good argument, and I hope the Senator thinks so.

Mr. NORRIS. I think it is a good argument. Personally I am opposed to the tariff on oil. I am opposed to the tariff on coal. I am opposed to the tariff on lumber. I would like to reduce the tariff on a lot of other things. I voted yesterday for every one of the amendments offered by the Senator from Maryland [Mr. TYDINGS]. If other amendments are offered, I am going to vote on them in accordance with my own belief in the light I have as to whether there ought to be a tariff or not, and whether it ought to be increased or diminished.

Mr. LONG. I was hoping that the Senator would go a little farther, inasmuch as we have amended the bill, and it is going to bring some revenue. He and others have expressed their opposition to it as the result of those items being in the bill. Now, he comes along with an amendment which must take some revenue out of the Treasury. I was hoping the Senator might see fit to say if we put the debenture over, certainly we would not come back and begin to take some of this money out. I was hoping the Senator might say that.

Mr. NORRIS. I can not give the Senator any assurance. To begin with, I do not know whether or not any such attempt will be made. I have not the remotest idea. If there is any such thing thought of it has not been disclosed to me.

Now, Mr. President, I want to conclude—

Mr. BLAINE. Mr. President, will the Senator from Nebraska yield to me?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Wisconsin?

Mr. NORRIS. I yield.

Mr. BLAINE. There is a feature which the Senator has not discussed to which I desire to call his attention. The Senator appreciates that our foreign commerce has greatly diminished. Will not the debenture on agricultural products, at least, directly stimulate our foreign commerce and indirectly stimulate our international trade respecting industrial and manufactured products?

Mr. NORRIS. I think it will. It will do something more than that; it will make agriculture prosperous and when that shall be done, in my judgment, we shall have removed 90 per cent of the difficulties that confront the country because of the depression.

Mr. BLAINE. Just another question. If such stimulation shall bring about an increased international trade, by the very nature of things there will be increased revenue under the general tariff law?

Mr. NORRIS. Yes, sir.

Mr. FRAZIER. Mr. President, will the Senator from Nebraska yield to me?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from North Dakota?

Mr. NORRIS. I yield.

Mr. FRAZIER. The Senator from Nebraska has stated that if we shall make agriculture prosperous it will have a good effect upon everything else in this country. I agree with him, and I want to ask the Senator from Nebraska if he thinks, in view of present prices, that giving half the tariff as a debenture will make agriculture prosperous in the United States?

Mr. NORRIS. It will not do what it ought to do; if the depression continues, it will not come anywhere near doing what it ought to do, but it will to a great extent revive struggling agriculture, though not as much as it ought to do. However, if we can get rid of the general depression, if we can bring about conditions under which prosperity can to a certain, even though a partial, extent pervade the country and include business operations of all kinds—and that will come to a great extent if agriculture shall be made prosper-



ous—then the need even of this proposed legislation will not be so great as it now is, because, in addition to the farmer having to sell in a free-trade market and buy in a protected market, he is the victim, as is everybody else, of the general depression.

Mr. KING. Mr. President, may I ask the Senator from Nebraska a question?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield.

Mr. KING. An inquiry was made a few moments ago by the Senator from Kansas [Mr. McGILL] respecting the Federal Farm Board and the authority lodged in it under the terms of the Senator's amendment, to determine when the provisions of the amendment shall be put into execution. In view of, shall I say, the fallibility of the Farm Board, the blunders—and I am using a very mild term—of which it is guilty, the inefficiency which has characterized its administration, I am unwilling to lodge with them this discretionary authority. I inquire if the Senator may not find some other organization or instrumentality that might initiate the movement that would put the provisions of the amendment into operation?

Mr. NORRIS. What other instrumentality of government would the Senator suggest?

Mr. KING. I am not as familiar with the terms of the Senator's amendment as he is. I was wondering under the original debenture plan what steps were provided for an initiation of the movement?

Mr. NORRIS. There was a board set up. We should have to have some instrumentality to perform the duty because there are some products, for instance, as to which there might not be a surplus production for 10 years. The amendment would not apply to any such products. Somebody must determine, somebody must have the power to say whether or not there is a surplus. The surplus to a great extent, of course, is an estimate, and somebody must initiate the plan.

When we previously agreed to this proposal we thought we would set up a board. If the amendment provided for any other board, how would they be appointed? We could not appoint them. If we provided that the President should appoint them they would not be any better than the board he has already appointed. So while we might disagree a good deal as to whether the Farm Board is the proper place to lodge the authority, I confess I do not know any better place to lodge it.

Mr. KING. If I might indulge in an observation that may be regarded as too suave, it seems to me we are between the devil and the deep sea as between the Farm Board and the Secretary of Agriculture, and as between those two, the devil and the deep sea, I think I should take the deep sea and confer upon the Secretary of Agriculture the authority to determine when the provisions for debentures should be issued.

Mr. NORRIS. If the Secretary of Agriculture is the deep sea, then God save me from the deep sea. I would not go there. But the Senator may be right; that may be the best place to swim.

Mr. President, referring again to the necessity of raising additional revenue and going to sources from which it can be had, I want to read an extract from an article written by one of the brightest newspapermen in Washington and printed in the Nation, of the issue of May 21, 1932. I will read just a portion of it, because the author, Mr. Paul Y. Anderson, is discussing the particular matter of levying taxes upon those who have the money. He says:

To me, however, the most incredible and dismaying thing in the whole history of the revenue bill is the cumulative testimony given by the representatives of wealth.

Mr. Anderson has slept with this revenue bill from its beginning; he followed it from the very time the hearings began in the Ways and Means Committee, and his statements are always accurate. He says further:

A communist wishing to demonstrate that the wealthy people of the United States are, as a class, mean, selfish, and unpatriotic to the verge of treason could make no better case than by quoting the words of their own spokesmen from the printed record of the

hearings. Over and over the House and Senate committees were told flatly that big business and big finance did not intend to bear their proportionate share of increased taxes and would resolutely and successfully evade every attempt to compel them. The commonest argument of Secretary Mills and those sharing his viewpoint against higher taxes on wealth was that wealth would certainly dodge them. It was nearer to being a case of indecent exposure than anything staged by the Minsky brothers. Of course, I do not believe that the great majority of the rich are quite as black as their spokesmen painted them. Mr. Mills, for example, very often gave the impression of being intoxicated with the eloquence of his own miscalculations. Nevertheless, under such conditions as now prevail in this country and in the face of those which are likely to prevail soon, it was sheer madness for wealth to place on record such an appalling indictment of itself. There has been considerable ribaldry in public and private over Huey Long's proposal to limit net incomes to \$1,000,000 a year and net inheritances to \$5,000,000. But ask the taxi driver, the cigar clerk, the farm hand, or the unemployed mechanic what he thinks about it—and don't ever think he hasn't heard of it. Gentlemen who come to Washington these days to tell congressional committees they will precipitate further unemployment by withdrawing their money from industry unless allowed to keep more than 46 per cent of their incomes after the initial \$1,000,000 a year are doing no less, in my judgment, than firing off Roman candles in a powder house.

Huey is no Cicero, but he spoke a mouthful when he said:

"I'm not trying to hurt the rich; I am trying to save them; because this country won't be safe for them much longer if something isn't done to redistribute its wealth."

Mr. NYE. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from North Dakota?

Mr. NORRIS. I yield.

Mr. NYE. I heard what the Senator said a few moments ago regarding the probable chance of the so-called farm organization bill as an amendment to the pending tax bill. I must confess an agreement with the Senator as to the probability of that chance; but, since it is so problematical, I wonder, in view of the fact that we are striving now to accomplish the fullest measure of help that can be afforded to agriculture, if the Senator would object to increasing the amount of the debenture which would be allowed from half of the tariff duty to the full amount of the tariff rate which prevails?

Mr. NORRIS. Mr. President, again I think I should be moved by what I regard as a practical consideration. I very much doubt the wisdom of attempting it. What we are up against now—and we ought not to forget it—is that one of the great objections to this suggested amendment is that we are going to divert that much money on its way to the Treasury, so that it will never get to the Treasury; in other words, it is conceded it will take considerable money to finance this operation. I agree with the Senator's suggestion, but it is not what we ought to have but it is what we can get, and we know that right now, in view of the situation the country is in, whenever the effort is made to take a dollar out of circulation that would otherwise get into the Treasury we are in difficulty at once, and I confess I am afraid of it. It would be fair, but we shall not be able to get what is fair at this time, and if the amendment shall prevail it will be the first time the plan has ever been tried. Let us put it in operation, if we can, with the idea that if it works, as I believe it will, we may increase the debenture later on.

Mr. BROOKHART and Mr. SMITH addressed the Chair.

The VICE PRESIDENT. Does the Senator from Nebraska yield; and if so, to whom?

Mr. NORRIS. I yield first to the Senator from Iowa.

Mr. BROOKHART. Since the Senator first offered this debenture provision, is it not true that the price of farm products has dropped more than the whole tariff rate?

Mr. NORRIS. Yes; I think so.

Mr. BROOKHART. And farm prices are so low now that the whole tariff rate would not nearly protect the cost-of-production level.

Mr. NORRIS. I concede that, under present conditions, the whole tariff, if the farmers could get the benefit of it, would not be sufficient; but, Mr. President, I hope Senators will not get the idea now that anybody is contending that this is going to be a complete remedy for the depression. We have got to take into consideration when we are asking legislation of Congress the viewpoint of others who do not



agree with us, and we have got to admit that we are now confronted with an economic condition that is worse than any condition that ever confronted our country outside of a time of war, and we have got to be willing to give and take. I think we would make a mistake if we undertook to put the entire amount of the tariff in this bill at this time. My judgment is that we would get nothing, and I should like to get this and let it be tried out.

Mr. KING. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I promised to yield to the Senator from South Carolina. I should like to yield the floor if Senators will permit me to do so.

Mr. SMITH. Mr. President, I just wanted to ask the Senator this question:

It has been intimated here that this amendment will possibly take \$100,000,000 out of the Treasury. Does not the Senator think that if we are so anxious to balance the Budget and get revenue we could lower some of these tariffs that amount to an embargo, and by enticing or allowing some of the goods to come in that are now kept out we could, at least temporarily, relieve this situation?

Mr. NORRIS. I think so; not only temporarily but permanently. I agree to that; but again we are confronted with the fact that we can not do it, no matter if we do want to.

Mr. SMITH. Exactly; but why deny the farmers this relief because it might take something out of the Treasury, when millions are being kept out of the Treasury by the other process, by which the farmer suffers?

Mr. NORRIS. I agree to that; but again we are helpless. On yesterday we voted a tariff on aluminum, which now does not come into this country at all. It is a monopoly, and something that is in common use. The head of the great aluminum monopoly is Mr. Mellon and Mr. Mellon's family; and we did not come within gunshot of lowering that tariff to a point where it would have brought in some revenue.

Now we are confronted with a condition, and we ought to realize just what it is. I hate to see those with whom I have worked for years trying to get farm relief come along now, when there is a possibility—I do not know—that we can get this proposal adopted, so that the farmer can get a little, and complain that I do not try to get something that I think we all ought to know would be an impossibility.

Mr. LONG. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. Yes—or, if the Senator desires—I will yield the floor.

Mr. LONG. I just wanted to call the attention of the Senator from Nebraska and the Senator from South Carolina, who have engaged in this little colloquy, to the fact that if the Senator from South Carolina had his way, and the tariff on these various items were reduced in order to bring in all these goods, it would not do anything but put American producers and American workingmen out of work.

Mr. SMITH. Where are they now?

Mr. LONG. A good many of them are out of work now.

Mr. SMITH. And under your high protection.

Mr. LONG. No; under the concentration of wealth, Senator—not under high protection; under the fact that wealth in this country has been concentrated to a point where there is no purchasing power in the hands of the masses. It is not due to the fact that American products have been protected. I deny that. It is due to the fact that there is no purchasing power in the hands of the masses to purchase what is produced in this country.

If we throw down the tariff walls and allow Cuban sugar to be brought in here duty free, my people in Louisiana will not be able to raise a pound of sugar. If we lower the tariff wall of 7 cents a pound on long-staple cotton, they will be feeding you cotton from Turkey and from Egypt and from

India and from Russia, because they are raising it there and raising as good cotton as anybody can raise. If we throw down these tariff walls, we will do to these people just what has been done to the oil fraternity in the State of Louisiana and in the State of California and in the State of Kansas. We will shut down the oil wells.

The remedy is not to throw down the protective-tariff walls and put the balance of the people of this country out of work. The fact that we have 8,000,000 people out of work is no reason why we should put 100,000,000 people out of work. The remedy is not to throw down these tariff walls and let the slave from Cuba send his sugar in here duty free, and let the slave from Chile send his copper in here duty free, and let the slave from Venezuela send his oil in here duty free. The remedy that the Senator from Nebraska pretty well touches upon is in putting a purchasing power in the hands of the masses by decentralizing the overgrown fortunes of this country, which have accumulated to a point where there is no money in the hands of the common people, but it is all in the hands of the people at the top and they have brought stagnation to their own enterprises.

If we should go out here to-morrow and write every tariff item out of this bill, we would not do anything but simply throw this country open in such a way that there would not be any reason for anybody to raise any cotton or any wheat or to produce a single manufactured article. Why some of our good Democratic friends can not see that we are not helping ourselves when we increase imports, if we are going to throw our own people out of work, is something that I can not understand. That is our trouble now.

Mr. BROOKHART. Mr. President, when Alexander Hamilton presented the first tariff bill to the Congress of the United States he pointed out the effect it would have upon agriculture quite as truly as it has occurred at the present time, and he said that agriculture would have to be protected by bounties.

The bounty, of course, is the debenture. There is a difference in name and a little difference in the way of applying it, but it all comes out of the United States Treasury. So the debenture or bounty was a part of the tariff system from the beginning, a part of the tariff theory from the beginning; but that theory has been neglected. We have used the bounty only on a very few occasions—once, I believe, on sugar, and maybe a few other times in the history of the country.

The exportable surplus of the United States before the depression was from \$1,800,000,000 to \$2,000,000,000 of agricultural products; that is, in the form in which they were exported. Some of that was processed and was of more value than when it left the farm. Probably as it left the farms it was about \$1,200,000,000.

There is no doubt but that that surplus is fixing the price of agricultural products in the United States. Here is the tariff wall to protect agricultural products, but these products must be sold first in the domestic market. They flood the market by the amount of this \$1,200,000,000, if that be what the farmers get, and that breaks down the tariff protection entirely; so the debenture seeks to even up that difference, and in this proposition it is for only half of the tariff.

I am fully in accord with the principle, and I am fully in accord with the idea that if we could get this debenture for half of the tariff I would be willing to take it; but I see no assurance that we will succeed in getting this debenture for half of the tariff. If we should put it on the bill, it seems to me the bill will be vetoed when it gets to the White House, and that we will still fail in our efforts to get the desired protection.

Under that condition, I think the wise thing for us who believe in agricultural relief is to figure out what would be adequate and businesslike relief, and would properly handle this matter and make a fight for that. Then we could go back to the country and show that our proposition would have been successful if it had been adopted.

I think if we put on a debenture now for only half of the tariff rates, it will add a little to agricultural prices, but will



still leave them away down deep in depression. So I think the farm organizations have adopted the sound basis for the relief that Congress should vote at this session.

Mr. HULL. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Tennessee?

Mr. BROOKHART. I do.

Mr. HULL. Will the Senator state, if he has it in mind, the total amount that would accrue to agriculture in the way of increased prices under the operation of this plan at one-half of the tariff?

Mr. BROOKHART. About one-tenth is exported. If \$100,000,000 is the amount necessary to cover that, it would be about a billion-dollar increase in prices; but the farmers need about four or five billion dollars to get a cost-of-production price.

Assuming that one-tenth of the agricultural production is exported, and that that will require the \$100,000,000, which the Grange has estimated—I think it is a little more than that—if we multiply that by 10, of course, it would increase the other nine-tenths at home as much as it does the one-tenth that goes abroad. That is a considerable sum by which to increase farm products, but it still leaves them far below the cost-of-production level.

I was about to say when interrupted that the three great national farm organizations—the union, the grange, and the bureau—have agreed that any system of farm relief must be based upon the average cost of production of these farm products. That is the basis of the success of every producing business in the country. Unless a business can get its cost of production and also some margin of profit it fails.

What is this cost of production? The present prices are not half the cost of production, and the tariff rates do not anywhere near level up to the cost of production. As the Agricultural Department figured the cost of production heretofore, they made no adequate allowance for the compensation of the farmers for their labor and they made no adequate allowance for depreciation. Were those two items properly increased, their method of figuring cost of production is all right, and then I think the debenture should be based upon that proposition.

Of course, I shall vote for a debenture that will give us \$1,000,000,000 of increase. I should be glad to see that, rather than nothing; but since it would still fall so far short of prosperity I think we ought to consider the whole matter in a more businesslike way and decide what would be a proper use of the debenture, and I think there is another method of using it that is better than this amendment.

This amendment pays the debenture to the exporter. As he exports a farm product, he will get a debenture certificate equal to half the tariff rate on such a product if imported. Then he could draw that from the Treasury at the rate of 98 cents on the dollar if it is not redeemed by other parties at par. In that way the debenture is paid to the exporter. Some make the claim, and I have listened to the argument many times, that the farmer would get no benefit from that; that the exporter would not pass the benefit on down to the farmer. I am anxious to avoid that; so I have figured that we could increase the revolving fund of the Farm Board and give them a policy which would compel them to raise the price level to the cost of production and then use the debenture to pay the losses in case any losses occur in the final disposition of that surplus in the world market.

The Farm Board claims, under its present operations on wheat—I stated that a while ago—that it has increased the price at this time, or at the time Mr. Stone testified, about 15 cents a bushel above the world market, through its stabilizing or buying up of a part of the surplus. Assuming that that is true, there is another policy of the Farm Board that has probably done quite as much damage as that did good. That was the policy of holding this surplus as a constant menace over the world market. Any bidder in the world market points his finger right at this American sur-

plus, and then bids the price down because of the threat that that surplus may come into the world market at any moment.

While nobody can tell exactly, I feel that this policy perhaps lowered the world market about as much as it increased the domestic market over the world market, perhaps more, even. If that be true, then the Farm Board operations in stabilization have done no good to the farmer, and we certainly have reached the lowest price level we have ever had in the recent history of agriculture.

Mr. President, I think the revolving fund of the Farm Board should be increased, but not for carrying out the policy it has been following. If the board is to continue that policy, I would take away what they already have; I would abolish the board. It will have to have a new policy, and that policy should be, first, to ascertain the cost-of-production prices of farm products for the five preceding years, we will say, and I would include in that the elements I have suggested. Then the Farm Board should bid those prices for all of the farm products that are offered, and that would at once raise the price level to the amounts bid.

The chairman of the Farm Board before the committee estimated that a billion dollars additional would enable them to do that. He said that half a billion would take care of cotton and wheat, and that those crops made up about half of the whole amount of farm products.

Then they should have a policy with reference to holding the surplus. It should not be held as a menace over the world market, but for a world demand, and in any period of six to seven years in the world's history there has been such demand. There never has been a period when there did not exist a demand that used up all of the agricultural production of the world, even including cotton, which is the biggest and hardest item of surplus to handle.

If such a policy were followed, the surplus might finally be disposed of on the world market with little loss, and the chairman of the Farm Board seems to think it might be disposed of sometimes with profit. This would require a minimum of debenture from the United States Treasury to cover the losses.

Has this plan ever been tried? Do we know anything about it? Yes; it has been absolutely demonstrated. It was the plan of the Wheat Corporation under the Food Administration during the war and after the war. We know exactly the machinery that was set up and we know exactly how it worked.

I have told this story many times, but I am going to tell it once more now. On the 10th of July, 1917, Mr. Hoover wrote a letter to President Wilson, and in that letter he said that England and France and Italy had combined together and appointed one buyer for all their wheat, and that they had decided to bid \$1.50 a bushel for No. 1 northern, Chicago. He said, "The farmers can not afford to raise wheat under these war conditions at that price. So we will have to have a Government set-up, with money enough and authority enough to buy the wheat, until purchasers will pay a reasonable cost-of-production price to the farmers of the United States." He said, "Last year the farmers got \$1.51, on an average, for their wheat, but the speculator sold it for as high as \$3.25, and the price of flour was fixed on the basis of \$3.25. We must stop that speculation."

No better outline of the farm problem was ever written. President Wilson immediately presented that question to the Congress, and got the law passed on the 10th of August, 1917, one month later. Four days later he appointed his Farm Board, and 16 days later, on the 30th of August, the Farm Board completed its deliberations and fixed the price of wheat at \$2.20 a bushel, raising the foreign bid by 70 cents a bushel. There was no quibbling around about price fixing. The price was fixed just the same as any manufacturer fixes the price of his product at his factory. They determined that price by figuring out the average cost of production, and a reasonable profit on the capital investment, on top of that production cost.



As soon as that price was fixed, the same day, Mr. Hoover bid that price for all the wheat that was offered; not for any little bite in it, as the Farm Board had been doing, not for any part of the surplus, but he said, "Bring on your wheat, and here is your money." Of course the price went to that level on that bid that same day.

The price of the agricultural products should be fixed the same way now. If there were on the statute books at the present time a law applying to the various agricultural surpluses, in one day the price level could be restored, exactly as it was restored on wheat in 1917.

Congress had given the Wheat Corporation \$150,000,000 to buy the surplus wheat, but they authorized them to borrow more if they needed it, and they needed \$385,000,000 more. With the \$150,000,000 and the additional amount, they bought and held \$535,000,000 worth of wheat, and that is three times and more the operations of the present Farm Board, which have been criticized for dipping too deeply into the surplus. But they bought the entire surplus. They bought more than the surplus. Much of it was sold back in the domestic market. But there need be no loss in the domestic market, because that is absolutely under our control, by means of embargo tariffs or embargo provisions of the law. No losses occurred on anything that was sold back to meet the domestic demand. In fact, a profit was taken, and no losses occurred in the final disposition of any of it.

When 1918 came along, the fall of the year, the time for the sowing of the winter wheat, the President said, "Bread will win the war. Sow more wheat." Farmers heeded that cry, and they sowed about 18,000,000 acres more of wheat in the fall of 1918, and the armistice was signed on the 11th of November. Then it appeared that we might not need all that surplus wheat, the war being over, so we went into the winter months, and by the 1st of February the prediction was that there would be 1,200,000,000 bushels. Eight hundred million is the ordinary crop. Then Mr. Hoover and Mr. Julius H. Barnes, who was assisting him and who is now chairman of the executive committee of the United States Chamber of Commerce and prosperity adviser of the President of the United States, became frightened about their ability to finance that big prospective surplus. They feared that, with only \$150,000,000, if the banks were not liberal in lending to them, they might not be able to handle it. So they came to Congress and said, "We need a thousand million dollars so as to be sure that the Government can carry out this operation in reference to this big surplus." Congress voted them every dollar of it on the 1st of March, 1919, after the war was over. That was a peace-time measure, so far as that is concerned.

They said, "We want authority to borrow more if that should not be enough," and Congress gave them that authority. So they had a billion dollars for wheat alone, and authority to borrow more if they should need it. They asked authority to buy and sell foodstuffs anywhere in the world, and to go into business anywhere. They put the Government clear into business clear through the year.

They asked authority to condemn the big terminal elevators, so that they could have storage facilities where they could hold the wheat as long as they chose to hold it. They got that authority. They asked authority to license the sellers and the dealers and the elevators, and control the business clear through; and they got that authority. They asked for authority to control the exchanges, and they put the exchanges out of business when they made the first bid in 1917. The board of trade never sold another bushel of wheat on futures while the Wheat Corporation lasted.

After getting this law passed on the 1st of March the yield of wheat was not good for 1919; there were only 968,000,000 bushels, when they were expecting 1,200,000,000 bushels. That was more than the average crop of 800,000,000. So Mr. Barnes had to buy 138,000,000 bushels in order to maintain the price of \$2.26. It had gone up 6 cents, because railroad rates went up, and they put that onto the railroads. But he did maintain the price, and the price went even higher. Then they finally sold the wheat at a

profit of \$59,000,000, which amount was turned into the Treasury of the United States.

Mr. President, that illustrates an operation, a successful and profitable operation, in handling the wheat surplus, and giving the farmers a cost-of-production price for their product. We would not always succeed in that way. Sometimes there would be a loss, and I would like to see the debenture used to pay any such loss. I think it should be the full amount of the tariff. Sometimes half of the tariff would pay the loss, sometimes less, and sometimes there would be a profit. The chairman of the Farm Board said there would be a profit on some of these operations. But the rate of the debenture should be enough so that there could be no question about the ability of the Farm Board to handle this proposition under this policy.

If that were done, I think we could improve the world market. I do not think the Farm Board's present operations have done so. They have broken down the world market, because their policy has been to hold the surplus as a constant menace to the world market. The surplus should be withdrawn from the world market and held distinctly for a world demand, which is altogether a different policy.

In view of the present tariff policy, I think the world will not buy anything from us it does not have to buy. It is going to shun us, is going to put up retaliatory tariffs against us; has indeed already done that all along the line. An agricultural surplus has a better chance than any other kind of a surplus in the world market because it is more of a necessity. Many countries can not produce their own food, or their own cotton, for that matter. They will have to buy those things from us.

The surplus of cotton, being over 50 per cent, is the biggest problem in this exportable-surplus matter. But that 50 per cent of cotton is about 65 per cent of the world's demand. So it can readily be seen that if we had that 50 per cent of cotton financed and held back under one agency for a world demand, we would have something to say about the world price.

We have nothing to say now about the world price, because there are about 46 exporting agencies, according to the last check I made, all competing with each other in selling cotton to the world. Every bidder in the world market can go to any one of those 46 and bid, and if the price is too high, go to another and tell him it is too high, and that permits the bidder to fix the price all the time. The world market price of cotton is therefore not affected by the fact that we control 65 per cent of the supply, because our surplus is not financed and held back in the way I have suggested.

I have a report as to the consumption of cotton last year in factories in Russia, and it shows that they operated at only 60 per cent of their capacity because they could not get the cotton. If Russia had been recognized by the United States, and we had had trade relations with them, they could have used probably one to two million bales of American cotton, and that would have improved the condition a great deal.

At any rate, one great agency, properly financed, adequately financed, can learn conditions all over the world and can market surplus products better than the agencies which are now competing with each other in trying to sell these various products.

Mr. President, if you and I owned this big American farm, if it were our farm, we would agree this afternoon on the policy I have been urging. There would be no question about it whatever. It is the policy pursued by every industry that has an exportable surplus. Every one of them is separating and segregating that surplus from the domestic market. It is not flooding the domestic market by offering it for sale to the home people, but it sells that surplus for the best price it can get in the world market, and usually at a lower price than is charged the people in the home protected market. So agriculture, in order to get equality,



must be brought to that level, which can be done by an adequate debenture to pay the losses on the surplus.

Does the Treasury owe it to the farmers to pay these losses? Is that an obligation the Treasury should assume? The Treasury has assumed that obligation for almost every other line of business. It has paid subsidies in every direction. It paid subsidies to the shipping interests. It paid subsidies to the railroads. It paid them \$529,000,000 to guarantee their war-time profits for six months after they were turned back into private ownership in 1920. Right now it is proposed by a House committee that another subsidy be paid out of the Treasury to the railroads through the repeal of the recapture clause of the transportation act. Under that clause there is an accumulation of \$361,000,000 that belongs in the Treasury of the United States as the Government's half of the profits over and above 6 per cent as provided in the law. But the railroads have not paid it into the Treasury. Upon one excuse and another they have held it back, and now they come in and ask a repeal of the recapture clause, and eventually obtained a favorable report from a House committee at this time. That means another subsidy of \$361,000,000 out of the United States Treasury for transportation.

Again I want to call attention to the condition of the railroads last year. I read into the RECORD the other day how a confidential agency, reporting on the dividends of the railroads last year, has had something to say. This was not published in the newspapers. They do not give out this kind of information for the public to read, but confidential economic letters are written to the railroad managers and to the big newspapers. Here is what was said about last year in one of these letters:

The most challenging economic statistics of the depression are that, in spite of the fact that production volume and wage payments have gone down together to barely more than half of pre-depression volume, the grand total of interest and dividend payments has been maintained higher than for any year prior to 1929. Even the dividend payments of railroads this year have exceeded those for 1928 and for any previous year in railroad history.

This letter is dated the 25th of January, 1932, and is a review of 1931 conditions. Then they said:

Even the dividend payments of railroads this year have exceeded those for 1928 and for any previous year in railroad history.

Who ever thought that was the condition after all the publicity about the bankrupt conditions of the railroads of the United States? Yet I have no doubt that this economist, writing this confidential letter, is giving them as nearly a true estimate of the condition as it is possible to give.

So, Mr. President, we drew from the Treasury this subsidy of \$529,000,000 in actual cash in 1920, and that is the same six months' period in which the Federal Reserve Board planned the deflation in agriculture. We are now proposing to give them \$361,000,000 more by repeal of the recapture clause. I would say that agriculture is quite as important and the Treasury owes it quite as much as it owes transportation. It is said that we took over the railroads during the war and we did not take over the farms. But we did take over the fixing of farm prices, which is the same as taking over the farms. We did control them quite as effectively as we did the railroad earnings during and after the war.

Then we come along as soon as this session opens, and bill No. 1 offered in the Senate, I think, was the Budget balancing bill of the Senator from Utah [Mr. SMOOT], because it appropriated \$500,000,000 right away out of the United States Treasury to make loans to the railroads that had more dividends in 1931 than any previous year except 1929, to make loans to the banks and other business which collected bigger dividends on their bonds and stocks than in any period in their history except 1929.

So we do not hesitate to go into the Treasury for other things in the United States. In that situation I say the Treasury owes it to agriculture to give it this cost-of-production price. I think \$1,000,000,000 will do it, as the chairman of the Farm Board said. With that additional sum I think we could, as Mr. Hoover and Mr. Barnes did for

cotton, wheat, corn, oats, and livestock products, those staple products, handle the surplus of all of those at cost-of-production price and raise the domestic market up to the same price level. If that were done that would restore the buying power of agriculture and that would increase the prices to the extent of \$4,000,000,000 or \$5,000,000,000 instead of merely \$1,000,000,000.

With an increase like that agricultural prosperity would be at hand and the orders to other business growing out of that agricultural prosperity would start many of the wheels of industry in the United States. That would start us on a sound course toward a general prosperity in the country. I think there is no doubt, and I agree fully with the Senator from Nebraska [Mr. NORRIS], that the agricultural depression so long continued is perhaps 90 per cent of the cause of the general depression in our country. I think the other 10 per cent is due to the foreign loans we made which I described on last Saturday in my discussion.

Mr. President, I am going to vote for this amendment. I would prefer to take the bill which has been offered by the farmers. May I ask the chairman of the Committee on Agriculture and Forestry if that bill has been reported?

Mr. McNARY. Mr. President, almost unanimously the Committee on Agriculture and Forestry voted to report the bill favorably. The construction of the report was left to the chairman of the committee, who will probably report on it either to-day or to-morrow.

Mr. BROOKHART. I think that bill should provide a larger revolving fund. I think it should be amended to provide plenty of funds so there can be no question about the financial ability of the board to handle the matters placed under it. There are some other amendments which I suggested the other day. Then I think that the Congress should remain in session until that bill is enacted into law. The farmers of the country should see to it that we do remain in session until that time. There is little understanding of the distress involved in the depression. I think 20 per cent of the lands in the State of Iowa were in default in their interest payments on the 1st of March. I was informed recently that there were 500 mortgage foreclosures per week in the State of Iowa being started at the present time. I was also informed that the farmers are stopping these foreclosure sales by mob violence. I think they are justified in doing it under existing conditions.

Mr. President, it is certain that unless the Senator from Utah [Mr. SMOOT] will say he is willing to give us this little measure of relief which the amendment proposes, we should formulate a real fight for a real farm bill that will give real relief and then, if it is defeated, put the responsibility where it belongs, in the other House or in the White House itself.

#### INVESTIGATION BY TARIFF COMMISSION—CRAB MEAT

Mr. GOLDSBOROUGH. Mr. President, I ask unanimous consent to take from the table and have immediately considered Senate Resolution 122. It is a resolution simply directing the Tariff Commission to investigate the difference in cost of production of crab meat and other kindred products here and abroad.

The PRESIDING OFFICER (Mr. HASTINGS in the chair). Is there objection?

Mr. KING. Mr. President, may I ask the Senator from Maryland, in view of the vote yesterday in which we repudiated the Tariff Commission and treated with more or less contempt any findings that they make, what is the good of wasting any more money in having the Tariff Commission make an investigation?

Mr. GOLDSBOROUGH. I am very sorry to differ with the Senator. I think the investigations of the Tariff Commission accomplish a great deal of good.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maryland?

Mr. SMOOT. Mr. President, I shall object if it leads to any debate whatever.

Mr. McNARY. Mr. President, I am quite certain the resolution will not lead to debate. It simply asks for certain information.

Mr. SMOOT. I simply want to have that understood.



Mr. KING. Mr. President, let the resolution be reported.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The resolution (S. Res. 122) submitted by Mr. GOLDSBOROUGH on December 22, 1931, was read as follows:

*Resolved*, That the United States Tariff Commission is hereby directed to investigate, for the purposes of section 336 of the tariff act of 1930, the differences in the cost of production between the domestic article and the foreign article, and to report at the earliest date practicable, upon crab meat, fresh or frozen (whether or not packed in ice), or prepared or preserved in any manner, including crab paste and crab sauce.

Mr. KING. Mr. President, I shall not object to the consideration of the resolution, but I do want to make this observation. This is one of the poorest times in the world, if I may use that terminology, to introduce a comparison between domestic and foreign costs or to make an investigation with respect to any imported article. The unfortunate condition, the deplorable condition throughout the world, the fluctuation in prices from day to day, the depreciated currency, the fluctuation of the currency, make any finding that may be made to-day absolutely valueless in a week or month or year from now. It seems to me that any value which might be derived from this investigation would be merely speculative. It can not be the basis upon which to rely for any judgment or for any industrial activity.

Moreover, Mr. President, yesterday we flouted the findings of the Tariff Commission. The Tariff Commission found that there was no justification for an increase in the tariff on lumber, but in the face of this supposed scientific investigation, in the face of an investigation and report by a commission which our Republican friends would have us accept as sacrosanct, and which was to relieve us from the difficulties of tariff legislation and put our tariff laws upon a sound basis, we ignored their recommendation and put a very heavy tax upon lumber, which will be burdensome upon the farmers and upon the home builders and upon the American people generally.

The PRESIDING OFFICER. The question is upon agreeing to the resolution.

The resolution was agreed to.

#### REVENUE AND TAXATION

The Senate resumed the consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, the pending question being on the amendment proposed by Mr. NORRIS.

Mr. DILL. Mr. President, I am in favor of the amendment of the Senator from Nebraska [Mr. NORRIS]. In the first place it will give the farmer equal treatment under the tariff laws of the country. We have been attempting to give the farmer the benefit of the tariff for a number of years. The last tariff act contains rates that are absolutely valueless to the farmer, and yet Senators have continually justified their votes for other tariff rates upon the fact that they voted in the interest of the farmer. The best method whereby the farmer can get the benefit of the tariffs on the products of which the country produces more than it consumes is by the debenture plan.

I think, too, that the equal treatment of the farmer will bring a clearer realization to the American people of the futility and the foolishness of a policy that attempts to build tariff walls around the different countries of the world and thereby cause each nation to shut out more and more foreign trade and depend upon domestic trade among the people themselves.

I am not going to rehash the tariff fight of yesterday, as my friend from Utah [Mr. KING] started to do a moment ago, other than to say that the depreciated currencies of Canada have entirely changed the situation in the last few months. The arguments that have been made here about depreciated currency increasing prices in countries where it is used do not apply in Canada. In the first place, their money is used at par for the payment of their coastwise shipping of lumber around to the Atlantic coast. They have \$1 advantage per thousand feet at all times, and above that

they have the great advantage of the markets of the British Empire through their preferential tariff system.

I believe the tariffs adopted in the pending bill were necessary to complete the protective policy to the industries of the country and that as a matter of equal treatment we were justified—in fact, we could not defend ourselves if we failed to take such action.

The second reason why I am for the amendment of the Senator from Nebraska is that this is the only chance that Congress will have to enact legislation that will be really helpful to the farmer. We are not going to pass this bill in any other way. If we pass the debenture plan separate and apart from the tax bill, the President will veto it. If we put it in the tax bill, the President will then be confronted with the problem of signing a bill that will balance the Budget of the United States and give the farmer a little better chance to balance his budget, or vetoing a bill that would bring money into the Treasury to balance the Budget simply because he refuses to give the farmer equal treatment under the tariff law. So I say I am in favor of it because it is the only method whereby we can secure legislation that will really help the farmer.

In the third place, I am for it because it will raise the prices of farm products; and, when all is said and done as to theories and plans to restore prosperity, the only way in which we are really going to restore prosperity is to start the sources of prosperity. The source of prosperity is the new wealth that comes out of the ground each year, the farm products, the minerals, the lumber, the fish out of the sea—these constitute the new wealth nature produces each year. Until those who produce this new wealth each year secure a profit upon that production we can not have prosperity restored.

I recognize that the debenture is not a sound policy, as such; it is but a part of a false system of tariffs; but since the system is in existence, the farmer should be included in its operation. The debenture in any case should not be operative over a long period of time, but if by the use of the debenture we can raise the price of wheat, the price of corn, the price of cotton, the price of the basic necessities that come from the farms of this country, we shall place in the hands of the producers of these products sufficient money to enable them to go to the stores and buy new goods. When they buy new goods the storekeepers will order new goods from the factories; when the factories have orders they will put their men to work; when men go to work there will be more money with which to buy more goods; and then will confidence come back, and not until then.

The proposals that we hear so much about of the extension of credit to bring prosperity, after all, will not do very much permanent good. They are proposals to loan more money to somebody. The people who now owe borrowed money can not pay their debts, and the farmer, least of all, does not need any more opportunity to borrow money. What he needs is an income from what he produces so that he may pay the debt which he has already incurred.

I think, however, that much might be done to start prosperity again by a proper handling of the silver question and by the adoption of policies which will increase the price of silver. The history of the world shows that whenever the price of silver goes up the prices of other basic products go up. The only time when the products of the country have really increased in price since this crash came in 1929 was last fall. At that time the price of silver went up 13 cents an ounce. The price of wheat, the price of corn, the price of cotton followed it, and there was real hope in the agricultural population of America that we had reached the bottom of the depression; but silver immediately dropped, and farm prices also dropped. The trouble with—

Mr. LEWIS. Mr. President—

Mr. DILL. I will yield in just a moment, if the Senator please.

The trouble with our attempts to do something to raise the price of silver is that we can get no cooperation from the White House. Now, I yield to the Senator from Illinois.



Mr. LEWIS. Mr. President, may I say to the able Senator from the State of Washington that when I represented his great State as a Representative at large I had as a colleague, who was the predecessor of the eminent Senator, who himself was latterly a Member of the House, a gentleman of the name of W. C. Jones, of distinguished ability. He presented before the House of Representatives in a discussion of silver, together with maps, reports, and records, the theory that as the price of silver rose the price of wheat rose, that as the price of silver fell the price of grain fell; and he sought to establish that conclusion by records which he said justified it. May I ask the Senator from Washington [Mr. DILL], who was the successor in the House of Representatives from the same district as the gentleman to whom I have referred, does he confirm that theory and advocate it in the observations he is now making?

Mr. DILL. I do absolutely. The history of the world shows that for centuries the price of silver has been the barometer of the prices of the products of the earth. More than a billion people of the world to-day use silver as their money. I do not argue for a pegging of the price of silver in an unnatural way; I do not contend that we should take money out of the Treasury in order to lift the price of silver for the owners of the silver mines of America and of the world; but I do argue for a recognition of the fact that silver is the basic money of more than half the population of the earth, and that the moment the price of silver rises the purchasing power of a billion people, particularly in the Orient, rises with it.

When, however, we have attempted to secure the approval of the President of the United States of legislation that would bring about a real conference looking to the use of silver for monetary purposes—not with a view of abandoning the gold standard but using silver as a money along with gold—we have met with only rebuffs from the White House. Any proposals that have been made here whereby the price of silver might be raised in a normal manner have never found support; and in a Congress so closely divided as is this Congress, in both the House and the Senate, it is indeed a waste of time and energy for those of us who believe in this method of restoring prosperity to spend our time in passing legislation only to be vetoed when it goes to the other end of Pennsylvania Avenue.

The most sensible, the most practical suggestion that has been made for increasing the price of silver is the proposal that the Treasury of the United States should be authorized to buy silver in the markets at its market price; that we should then coin that silver into dollars, store them in the Treasury, issue silver certificates, and make them a part of our currency, backed not only by the silver which we have placed in the Treasury but backed also by the 40 per cent gold reserve.

We have been using silver certificates in this country for a long time; they are as sound money as any kind of money we have ever had; and the proposal of buying silver in the markets of the world, coining it into money, where it would not be placed back in the market, thus removing a surplus, will automatically lift the price of silver and at the same time will involve no risk of the loss of money by the Government, so far as that is concerned, because the only loss will be the expense of coining the new money in the form of silver dollars and silver certificates. It would not be a fiat currency; it would not be an inflation; but it would be a sound and reasonable and practicable procedure whereby we would remove from the markets of the world the surplus silver that has been thrown there by the actions of England in India and by the French in Indo-China.

I am told by those who have such statistics collected that there is a surplus of something like 250,000,000 or 300,000,000 ounces of silver in the markets of the world. The present price of silver is less than 30 cents an ounce. I believe it is a safe assertion to make that for \$100,000,000 we could take the surplus silver of the world off the market, coin it into dollars, issue silver certificates that would be legitimate, sound money for the use of our people, and thus raise the price of silver to a point where the purchasing power of a

billion people on the earth would come into play, and prosperity would naturally follow, because everybody knows that hundreds of millions of people to-day would buy our products if their money was worth anything in this country; but the depreciation of silver has made it impossible for them to buy in any quantity whatsoever.

Mr. President, this question will not down. It is a question that hangs over us at all times. It needs the attention of legislators who will think in sound terms, and who are willing to try a policy that has no element of danger whatsoever in it from the viewpoint of those who are afraid of inflation or those who are afraid of fiat money.

Mr. SHIPSTEAD. Mr. President, will the Senator permit me to say a word?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Minnesota?

Mr. DILL. I yield.

Mr. SHIPSTEAD. Much of our present trouble comes not only from the demonetization of silver, destroying by law the purchasing power of silver as money and therefore taking away from it the privilege under the law that gold has; but, in addition, we are suffering from the appreciation of the value of gold because of the great amount of debts that have been created all over the world during the last 15 years payable in gold, therefore causing the law of supply and demand to operate more intensely on gold and making it increase greatly in value because of increased demand occasioned by greatly increased indebtedness.

Last week Professor Cassel, in addressing Oxford University, called attention to the fact that gold had by law been made the basis of contracts which fixed it as the standard in the payment of debts and that these vast debts had been created without the creation of a corresponding means for the payment of those debts. He called the attention of the British people—and I think people all over the world should study what he said upon that occasion—that the creation or manufacture of a means of payment had not kept pace with the creation of debts payable in a certain coin, and therefore the law of supply and demand operating upon the scarcity of the means of payment had driven the cost of gold in terms of the price of commodities gradually higher and higher; that as the cost of gold had increased the cost of commodities had decreased, and that that phase of the descending price level has not been measured and understood in the light of the value or in the price of gold.

Mr. DILL. Mr. President, I am not arguing for the remonetization of silver. I do not desire to propose the doctrine that has caused so much conflict in a political way in America. I believe that it is too big a proposition to undertake to overcome the prejudice against it at this time as a method of solving the problems which confront us. I have suggested, however, what, to me, is the most practical proposal which has been made, namely, the purchase by the Government of the surplus silver on the markets of the world to-day, using it for money in the form of certificates, backed by the silver dollars that are to be coined and by the gold reserve. This would constitute a form of money that we have found to be absolutely sound. The purchase of this comparatively small amount of silver would have practically no effect upon our currency system; and it is a proposal that is worth trying. It can not hurt anything. I believe it would start the world in the direction of trading, and, then, if we would adopt the policy of tearing down the tariff walls that every nation has erected to shut out the trade of other countries by reciprocity agreements, I believe the world would again turn itself to international trade; that confidence would come again; and we then could work out some system of putting a stop to the provision in documents evidencing indebtedness that the debts shall always be paid in gold.

If, however, we attempt to remonetize silver, if we attempt to bring that controversy into the situation to-day, the people will lose sight of the greatest need of the hour, which is the increase in the price of the products of the earth which the people must have if they are to be able to buy the new goods of commerce and bring a restoration of prosperity.



Mr. BROOKHART. Mr. President—

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Iowa?

Mr. DILL. I yield.

Mr. BROOKHART. I should like to ask the Senator what amount of certificates he would issue against the silver which would be purchased according to the purchase price?

Mr. DILL. Dollar for dollar, and I would back them not only by the silver in the Treasury but by the 40 per cent gold reserve, just as the silver certificates which now circulate and have circulated in this country for generations have been backed. There is no sounder money in the country than those silver certificates.

Mr. BROOKHART. As the price of silver increased by its purchase there would be a less amount of certificates issued on the basis of the price of silver. Is not that so?

Mr. DILL. That is true; we would pay a larger amount of money, but we would still be removing the silver from the markets of the world.

Mr. BROOKHART. The Senator would leave it all redeemable by the gold standard?

Mr. DILL. Absolutely. I propose that because any other proposition is immediately called inflation; any other proposition is immediately called fiat and cheap money; and I would earmark the gold to 40 per cent of the amount of this silver.

Mr. BROOKHART. Have we not been off the gold standard ever since the Federal reserve system was inaugurated, anyway?

Mr. DILL. I do not want to go into a discussion of that technical matter. I am not so much concerned about the technical side of whether we are on the gold standard or whether we are not. I am concerned about a policy that will restore the purchasing power of the billion people of this earth, who, from the beginning of the history of money, have used silver as their currency.

I listened, as some of you may have listened some days ago, to a radio address by Winston Churchill, the great Conservative of England, in which he pleaded for the co-operation of England and America to make silver take its place as a money to be used throughout the world. He said that these two nations, and only these two nations, could do this. Yet, sir, in these days of depression, in these days when millions of men are out of work, in these days when millions of farmers can not pay their taxes, in these days when business grows worse, the President does nothing in this connection. We are met continually with proposals of more credit, more loans to somebody, more appropriations to some Government agency to sell somebody some bonds, when by the operation of natural law throughout the world there is an opportunity at least to test the theory that has never failed in the history of mankind since governments have existed as we know them to bring the price of products upward.

Why do we not try something? Why are we to be bound forever to the dead body of precedents of the past? Why can we not experiment a little bit, especially when that experiment will not endanger our money system, when it will not take any new step of any kind other than to take a little money out of the Treasury and invest it safely in the metal that has been one of the basic money metals through all the history of mankind?

Mr. FESS. Mr. President, will the Senator yield for a question?

Mr. DILL. I yield to the Senator.

Mr. FESS. I understood that the Senator's proposal was that the Government should purchase the silver and issue certificates for it, those certificates to be redeemable either in silver or in gold.

Mr. DILL. Yes.

Mr. FESS. Would not that involve the same principle that we had in the Bland-Allison Act, under which the holder of a silver certificate might demand gold for it; and then, when that was paid out, come back and demand it again and start that circle of drawing gold out of the Treasury?

Mr. DILL. If any large amounts were involved—by "large amounts" I mean hundreds and hundreds of millions of dollars—that would be true. If the circle method of drawing gold were used, the Secretary of the Treasury could withhold these certificates as cashed. I maintain, however, that \$100,000,000 will be sufficient to take the surplus silver off the markets of the world and not endanger our financial system at the same time; and even supposing that everybody who secured a silver certificate went and demanded its redemption in gold, with enough gold down here to authorize \$4,000,000,000 of new money, it seems to me there need not be any fear, but in any case the Secretary could withdraw the certificates cashed from circulation until the emergency was past.

Mr. FESS. Would there be any limit to the purchase of silver?

Mr. DILL. From my viewpoint, I would simply authorize the expenditure of \$100,000,000 and leave it in the discretion of the Secretary of the Treasury. My own judgment is that it would never be necessary to spend the \$100,000,000. I think, before we spent a hundred millions, silver would be back to 75 cents an ounce.

Mr. FESS. The Senator recalls that the act to which I referred, which President Cleveland called Congress in session to repeal, required the purchase and coinage of not less than \$2,000,000 nor more than \$4,000,000 of silver a month.

Mr. DILL. Yes.

Mr. FESS. That was not very much.

Mr. DILL. But I remind the Senator that we have no such basis of gold on a 40 per cent standard.

Mr. FESS. I say to the Senator frankly that if there were some international proposition whereby we could maintain some reasonable parity, I should be inclined to look with some favor on trying to use silver, but as matters stand it is difficult.

Mr. DILL. I want to make it clear to the Senator that I have not suggested that we peg the price of silver, but merely that we buy it in the market and let it take its natural rise due to the removal of silver from the markets of the world.

I did not intend to discuss this subject, but it is a subject which is extremely important, and I could not resist giving expression to my views, because it seems to me that we who sit here in the Senate have little realization of the despair in the hearts of the people of America to-day, of the hopelessness on the part of our farming population, and of the fear in the hearts of all those who have any property at all that it will not be worth anything a few months hence unless something is done to stop the ever-downward plunge of prices and the loss of confidence throughout America.

Mr. BROOKHART. Mr. President—

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Iowa?

Mr. DILL. I yield to the Senator.

Mr. BROOKHART. I understood the Senator, in answer to my question, to say that the redemption would be in gold only.

Mr. DILL. It could be in either metal, but of course it could be redeemed in gold. Suppose it were, however; suppose the one hundred millions in gold were all taken, when we have billions of gold here that are not earmarked. Why, Senators, all of our Federal reserve notes are backed by 40 per cent gold and not by silver, but by the notes given by those who borrow the money at the banks.

Mr. BROOKHART. I understand that proposition, but I did not understand how this money could be redeemed in silver at a changing price.

Mr. DILL. Of course, if the price changed, less ounces of silver would be necessary as the price went up.

Mr. BROOKHART. It would be a dollar's worth of silver, whatever the price was?

Mr. DILL. Certainly. There is nothing requiring the total amount of silver to be bought. The fact is, the reserve of silver would become more valuable as the price of silver rose.



Mr. BROOKHART. Upon that theory, we could issue a dollar based on fractions of the national wealth and have it redeemed in any commodity at the market price.

Mr. DILL. Of course, the Senator recognizes that when he makes that proposal he is immediately accused of proposing a fiat money. He is accused of proposing a money that the people can not be trusted to accept.

Mr. BROOKHART. That accusation is made by somebody who does not know what he is talking about, even though he happens to be the Secretary of the Treasury.

Mr. DILL. There may be much in what the Senator says. Nevertheless, the people of the country are affected by the statements of the Secretary of the Treasury, mistaken as they may be, and we must consider their effect, but neither the Secretary of the Treasury nor anybody else can question the soundness of the silver-certificate system which has been in operation in this Government now for generations.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. DILL. I yield to the Senator from Florida.

Mr. FLETCHER. The Senator perhaps is aware of the bill introduced by the Senator from Nevada [Mr. PITTMAN], authorizing the purchase of silver at the market and converting it into coin and issuing certificates against it at the rate of so many millions per month.

Mr. DILL. I am fully familiar with that proposed legislation, and I am strongly in favor of it. I am also familiar with the proposal of the Senator from Arizona [Mr. HAYDEN], who proposes that other countries may pay us their debts in silver, and that it be coined on the same basis. I am not in favor of the value he puts upon the silver from foreign countries, however.

Mr. FLETCHER. I will say to the Senator that the Banking and Currency Committee have finished the hearings on the Pittman bill, and I hope they will be able to get action on it. I think that meets very much the idea that the Senator has been discussing.

Now, may I ask the Senator another question?

How would it appeal to the Senator if we were able to work out a plan whereby our surplus products—cotton, wheat, and so forth—might be sold to foreign countries for silver, and be paid for in silver? Would that help the situation?

Mr. DILL. I think that would naturally follow if the value of silver were increased. My whole purpose is to increase the value of the money which the people who would naturally purchase from us have to spend for our goods. The trouble now is that the money of these nations is so cheap that they can not buy in terms of the money which we use, and in which we price our products.

Mr. HOWELL. Mr. President, we are considering a tax bill; and no amendment to that tax bill providing for a tariff is germane unless it is for the purpose of producing revenue. Nevertheless, we have introduced four major tariff items into this bill. We have introduced these four tariff items because it has been urged that certain industries are in need of protection. We have introduced in the bill an amendment for a tariff on oil because it is urged that the oil industry is in such straits that something must be done to improve its position.

So in the case of lumber. It has been urged here that the lumber industry in recent years has been in a deplorable condition. However, it is a fact that not only the oil industry, but the lumber industry, has enjoyed prosperity during the last 10 years, up to the time of this depression. Nevertheless, the lumber industry has asked for a tariff for its protection, that its income may be increased—not that the income of the Government may be increased—and we have granted it.

The copper industry has come to us for the same reason, urging that it was entitled to protection, that it needed aid, and we have given that industry what it asked.

Now it is suggested, when we ask something for agriculture, that there is no place in this bill for such legislation. True, we do not ask for a tariff, but we do ask that aid be granted to agriculture; and the proposed form of this aid

is set forth in the amendment that has been offered by the senior Senator from Nebraska [Mr. NORRIS]. A bill similar to that amendment has passed the Senate in recent years. The Senate is familiar with it. It is not new. It has been discussed for several years. Furthermore, the debenture plan has been in effect in Germany since 1894. For a few years during the war it was suspended, but since the war the debenture plan has again been in effect in Germany. Also, the debenture plan was for a time in effect in Sweden. I do not know whether or not it is utilized there now.

This amendment offered by the senior Senator from Nebraska [Mr. NORRIS] provides that the debenture shall be limited to one-half of the tariff. Several years ago the Department of Agriculture made an estimate as to what it would cost the Treasury should the plan be adopted, and the amount then estimated was \$114,000,000 a year. True, that would be a subsidy to agriculture; but agriculture needs it and is as much entitled to a subsidy as oil, copper, lumber, or coal, to which we have now assured indirect subsidies. This amendment is as germane to the pending tax bill as were these tariff amendments. So the question is, Are we going to do anything for the farmer in connection with this tax bill? Are we to listen to the copper industry, to the oil industry, to the coal industry, and to the lumber industry, but pay no attention whatever to the farmer?

The objection that this is a tax bill, and that we propose to add a nongermane amendment to this tax bill, is of no force in view of what we have already done in connection with this same tax bill. If we can afford relief to these other industries, we certainly ought to do something for agriculture, because there is no industry in this country that is suffering to the extent that the agricultural industry is suffering to-day.

As I have before stated on this floor, the farmer must now deliver two wagonloads of his products in order to buy what one wagonload would purchase in the 1909-1914 period.

Mr. President, as stated by the Senator from Iowa [Mr. BROOKHART], the Committee on Interstate and Foreign Commerce of the House of Representatives has recommended that the recapture clause of the 1920 transportation act not only be repealed, but retroactively repealed, and that would mean that we would hand over to the railroads \$368,000,000, not as a subsidy, but as a gift.

When that recapture provision was introduced into the transportation act, it was at the suggestion of the railroads. It was their plan. They tacitly agreed to abide by that plan. But now, after paying in only some eight or nine million dollars, as required by law—and all of that paid in under protest so that it could not be used—after all these years have gone by, and they owe \$368,000,000, they have lobbied a bill through the committee in the House to relieve them of paying this \$368,000,000, notwithstanding the fact, that in the last nine years the Class I railroads paid \$350,000,000 in dividends, and put aside about \$250,000,000 in surpluses.

Mr. President, it seems that Congress can act favorably in behalf of nearly every other interest and industry except the agricultural industry. As a consequence, it is proposed to pass this tax bill, with these four tariff items in it for the relief of four industries, items which have no place in a tax bill; and naturally when it comes to adding to it a provision which would aid agriculture, it is urged that it should not be included because there ought not be added to this tax bill a farm-relief provision; that such a measure should be considered separately.

Mr. President, something ought to be done for the farm industry during this crop year. This debenture plan would do something. There is time to do something if it is added to the pending tax bill.

It is unnecessary for me to say to you, familiar with legislation, that there is great danger, if the amendment is not attached to some bill of this kind, that there will be no legislation in behalf of agriculture before the Congress adjourns. The debenture plan can be added to this bill and put into effect, without being subject to the objection that it would increase production this year. The crops are



planted, it is too late to increase them, and the cost to the Treasury probably would not exceed \$114,000,000 to \$115,000,000, as was estimated by the Department of Agriculture for 1930-31.

That being the case, why should we not go at least that far in subsidizing agriculture? Tariffs are but subsidiaries of an indirect character.

Mr. President, something must be done for agriculture. Here is the opportunity and the opportunity to do it this year. This amendment has a place in this bill because of the precedent that has been established by the inclusion of tariff items in the bill. Hence, why should we not act favorably thereon?

We should also keep in mind that under the provisions of the amendment it will be put into effect only if the Farm Board deems it wise and necessary. By the same token, if at the end of this year it were found not to be wise and necessary, the board could desist from further application of the plan.

Therefore, Mr. President, we will merely be trying an experiment, an experiment which we are justified in attempting because of the tremendous interests at stake, for the prosperity of all this people is based fundamentally upon the prosperity of agriculture, and therefore it is of the greatest moment that agriculture be rescued, that the rest of our people may enjoy a return of prosperity.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the senior Senator from Nebraska [Mr. NORRIS].

Mr. LONG. I ask for the yeas and nays.

Mr. FRAZIER. Mr. President, I have been very much interested in this amendment and the discussion upon it. I feel, however, that it is absolutely unfair to continue to compromise with measures of this kind for the supposed benefit of agriculture.

For the last several years bills have been introduced in behalf of agriculture; in fact, such bills were offered before I became a Member of this body. The proponents of those measures have been willing to compromise and to get anything under heaven they could for agriculture. We have had compromise after compromise. The result has been that agriculture has gone from bad to worse, especially since the deflation started back in the good old Democratic administration in 1920.

The condition of agriculture has gone from bad to worse, and these compromise agricultural relief measures which have been presented have resulted in putting millions of farmers out of business, causing them to lose their farms and their homes. That condition exists at the present time. Farmers are still suffering from foreclosures. They are losing their property, their homes, the farms on which they have lived for years, which their families have faithfully worked to build up for a generation.

It is time we were getting away from compromise measures alleged to be in the interest of agriculture. I want to say now, Mr. President, that, judging from the letters I have received from farmers—not only farmers in North Dakota but farmers throughout the Middle West and some in the East and South—they are not in a frame of mind to accept compromises at the present time. They want real relief, they want some real assistance, they want something that will be of benefit to them, something that will help them save their homes, something that will enable them to get for their products prices equal to the costs of production. Unless they can get some such relief I believe the average farmer of the United States to-day would say, "We do not want compromise; we want real, worth-while legislation or nothing at all."

The pending amendment, embodying the debenture, is based on one-half of the existing tariffs. One-half of the existing tariffs, in addition to the present prices of farm products, would not begin to give the farmer cost of production for his products or anything like cost of production. Even the total amount of the tariff would not give the farmer cost of production at the present time. I think that if it is to be agreed to, the amendment should provide for at

least the full amount of the tariff as the amount of the debenture.

Mr. President, I had not intended to make any remarks about the attitude of the administration toward agriculture, but that question was brought up this morning, and I think perhaps I might discuss it just a moment.

When the pending tax bill was reported to the Senate, several members of the Committee on Finance, which had the bill in charge, made the statement that the Secretary of the Treasury had come before the committee and had discussed the tax measure, and had made several recommendations, and that most of the proposed changes had been adopted, showing that the Secretary of the Treasury was vitally interested in the tax bill, vitally interested, according to some members, in cutting down the proposed increase in income taxes in the higher brackets and the surtaxes, placing the burden on a greater number of people and on those who, in my estimation, are not so well able to pay, but who are interested in the business affairs of the Nation nevertheless.

When the Glass-Steagall bill was before the Committee on Banking and Currency, I understand the Secretary of the Treasury came before the committee and advocated the bill. Prior to that time, when the \$2,000,000,000 Reconstruction Finance Corporation bill was under discussion, the Secretary of the Treasury came before the committee and advocated that measure as a relief for the banking interests, as the relief of the railroad and insurance companies of the country.

On the other hand, we have the Secretary of Agriculture, a member of the President's Cabinet, too, whose duty it is, at least it seems to me it is his duty, to look after the welfare of agriculture, to advise committees upon agricultural bills, and to put up a fight for the interests of agriculture. Unfortunately, we have not, in my opinion, such a Secretary of Agriculture at the present time, and I do not think we ever have had, at least not in recent years.

On March 3 the senior Senator from Mississippi [Mr. HARRISON], discussing some of the departments, referred to the present Secretary of Agriculture, and I want to read a paragraph appearing on page 5155 of the CONGRESSIONAL RECORD of that day:

I am not going to refer to the Secretary of Agriculture as did his distinguished fellow citizen, Jim Reed, of Missouri. Of course, Senator Reed had known him for many years. They were neighbors, fellow Missourians. Mr. Reed referred to him as "the steam whistle of a fertilizer plant." I do not go that far. I do not say that, because I have respect for the fertilizer plant.

[Laughter.]

I do not know that I want to go quite so far, either; but when we have had agricultural measures pending before the Committee on Agriculture, we have not had any real help from the Secretary of Agriculture. One such measure I introduced myself, S. 1197, to provide for refinancing the farmers, refinancing the existing farm indebtedness at the rate of 1½ per cent interest on the principal and 1½ per cent for amortization. The bill was sent to the Secretary of Agriculture asking for his opinion upon it. After some time and after a special effort was made to get a statement from him, we finally heard from him about it. I was chairman of a subcommittee that held hearings upon the measure. I wrote to the Secretary of Agriculture, telling him that hearings had been set and were about to take place and urging him for a statement upon the bill. The Secretary wrote back:

It is my judgment that the bill which you inclose is not conducive to the best interests of the American farmer.

Sincerely yours,

ARTHUR M. HYDE, Secretary.

That was under date of January 30. On March 5 he wrote a letter to the chairman of the Committee on Agriculture and Forestry in regard to the same bill and said:

It is my judgment that this bill is hostile to the best interests of agriculture.

Mr. President, that bill provided for the liquidation of the present farm indebtedness at 1½ per cent, reducing the rate of interest from 6 or 8 per cent, as now paid, to 1½ per cent.



How any man who is interested in agriculture can say a measure of that kind is "hostile to the best interests of agriculture," how he can say it is "not conducive to the best interests of the American farmer," is more than I can understand. Reducing the rate of interest from 7 or 8 per cent, as now paid, down to 1½ per cent, the Secretary of Agriculture says would be hostile to agriculture and not conducive to the best interests of the American farmer.

Mr. President, if we had a Secretary of Agriculture who was willing to fight for the interests of agriculture, for the interests of the farmer, as is the Secretary of the Treasury willing to fight for the interests of the bankers, the railroad companies, and other big business of the country, we might get some legislation which was not a compromise in behalf of the American farmer. But under existing conditions we have been unable to get anything but compromises, and they have amounted to but very little.

Mr. President, I wish to offer an amendment to the amendment of the Senator from Nebraska. On page 4, line 5, strike out the word "one-half." That would make it provide that the—

Debenture rates in effect at any time with respect to any agricultural commodity shall be the rate of duty in effect at such time—

And so forth. I ask unanimous consent to offer another amendment to accompany it, because they relate to the same subject matter. On the same page, line 8, strike out the numeral "2" and insert the numeral "4," which would make the debenture rate on cotton 4 cents per pound instead of 2 cents per pound. I offer these amendments to the amendment of the Senator from Nebraska and ask unanimous consent that they may be treated as one amendment.

The VICE PRESIDENT. The question is on the amendments of the Senator from North Dakota to the amendment of the Senator from Nebraska.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Bankhead	Cutting	Johnson	Reed
Barbour	Dale	Jones	Robinson, Ark.
Barkley	Davis	Kean	Robinson, Ind.
Bingham	Dickinson	Kendrick	Schall
Blaine	Dill	Keyes	Sheppard
Borah	Fees	King	Shipstead
Bratton	Fletcher	La Follette	Shortridge
Broussard	Frazier	Lewis	Smith
Bulkeley	George	Logan	Smoot
Bulow	Glass	Long	Stelwer
Byrnes	Goldsborough	McGill	Thomas, Idaho
Capper	Hale	McNary	Townsend
Caraway	Harrison	Moses	Tydings
Carey	Hastings	Neely	Vandenberg
Cohen	Hatfield	Norbeck	Walcott
Connally	Hawes	Norris	Walsh, Mont.
Coolidge	Hayden	Nye	Watson
Copeland	Hebert	Oddie	Wheeler
Costigan	Howell	Patterson	White
Couzens	Hull	Pittman	

The VICE PRESIDENT. Seventy-nine Senators have answered to their names. A quorum is present.

The question is on the two amendments of the Senator from North Dakota to the amendment of the Senator from Nebraska. The Senator from North Dakota asks unanimous consent that the two amendments may be voted upon at the same time. Is there objection?

Mr. FRAZIER. Mr. President, I would like to have the amendments stated, and I shall then ask for the yeas and nays.

The VICE PRESIDENT. Let the amendments be stated.

The CHIEF CLERK. The Senator from North Dakota proposes to amend the amendment of the Senator from Nebraska, on page 4, line 5, by striking out "one-half" before "the rate of duty," and in line 8 by striking out the numeral "2" and inserting the numeral "4," so as to read:

(d) Debenture rates in effect at any time with respect to any agricultural commodity shall be the rate of duty in effect at such time with respect to imports of such commodity, except that so long as no import duty is imposed on cotton the debenture rate thereon shall be 4 cents per pound.

The VICE PRESIDENT. Is there objection to voting on the two amendments as one? The Chair hears none, and it is so ordered. The Senator from North Dakota asks for the yeas and nays. Is the demand for the yeas and nays seconded?

Mr. HULL. Mr. President, I dislike to interrupt proceedings at this stage even for a few moments. I only do so in view of the fact that the pending general proposal is predicated upon the assumption that any tariff protection, whether high or low, as it is provided to-day, is recognized as a permanent, fixed, and unalterable policy of this country, and that this proposal is to aid one group of persons to secure their share, or at least some of their share, of the benefits and artificial advantages that are supposed to accrue to every individual in the country and to every class of individuals, provided they are able to secure it and to reduce it to possession.

I can not, Mr. President, acquiesce in the acceptance of that sort of policy. When we hear it said carelessly and loosely that if we are going to have a high tariff in this country we should therefore vote for this and vote for that in order to afford protection for Bill Jones and John Smith and every other Tom, Dick, and Harry who comes along and wants to acquiesce in the whole system, without any thought or real concern as to what it actually signifies in its economic effects, I think it is time that we should take occasion which this sort of opportunity suggests to take stock or to make some sort of a reexamination of the place our country occupies in the world's economic situation and the place that each group of citizens in this country occupies with respect to the different classes of legislation that are enacted from time to time by Congress.

If we are going to have tariff protection, some will say, "Let us have high protection"; others will say, "Let us have moderate protection"; and still others may say, "let us have merely tariff"; but all will say, "If we are going to have any of these things or all of them, then let us get in on it; let us put Bill Jones in on it; Bill is in trouble; he is in distress." Then the problem is to rake and scrape together any and all kinds of artificial devices and nostrums and methods that the imagination can possibly conjure up and prescribe them as an agency or a vehicle on which some neglected or abandoned or forgotten group may ride in and secure their share of either real or imaginary benefits that arise under different tariff laws.

To assume, Mr. President, that we are going to have tariff protection in this country means, from long experience, to assume that we are going to have high tariff protection; it means that we are going to have tariff protection written by the chief tariff beneficiaries; it means that we are going to have a perpetual operation of that unholy, ungodly, and corrupt combination between business and politics; that we shall have government through that kind of agencies on from generation to generation. It means, Mr. President, that we are to have inordinate, exorbitant, and hopelessly intolerable and almost unbearable tariff and tax conditions in this country, with their effects not only on the taxpayer directly but on our industrial, commercial, and entire economic situation, both domestic and international. I am opposed to passing carelessly by and accepting this sort of tariff policy with all its extremes and its excesses, with its complete domination not by the farmers, not by the American people generally, but by a small but powerful segment comprising the chief tariff beneficiaries.

It has been said that the poor farmer must fall back and take such crumbs as may drop from the table, so to speak, and that the only way he can even get the crumbs is to construct a clumsy scaffold such as the equalization fee law or the debenture proposal. Mr. President, I measure my words when I say that the 30,000,000 farm population of America can, within the next six months, take control of this Government, can take control of both Houses of Congress, and compel the enactment of any and all kinds of legislation they desire. They can compel their Senators and Representatives to walk away from the lobbyists of the great in-



dustrial concerns and to give heed to sound, equitable and decent economic policies and to legislate in the interest of American agriculture, as they did prior to the Civil War. Of course, we all know that, unfortunately, the Civil War divided agriculture half and half, with the result that American agriculture has never seriously attempted to unite and unify itself behind a common program of economics that would meet its rights and interests. It has permitted itself to be dragged along behind the chariot wheels of industry which has been in supreme and autocratic control of both politics and Government in this country.

Mr. President, if the farmers of America were willing to defy the politicians who go back and harangue them during every campaign until they succeed in getting back into office; if the farmers would demand a system of moderate or reasonable tariffs in this country instead of a system of embargo tariffs, a system of absolute prohibitions so far as any competitive or anything remotely or speculatively competitive is concerned; if the farmers would put forth their fiat that this Nation should adopt a tariff policy like that of Holland, of Sweden, of Belgium, and other nations that maintain low or moderate tariffs as compared with France, with Italy, with Germany, and with this country; if they would make their demands known, Mr. President, instead of cringing and cowering and caving in, so to speak, whenever the politicians go out with hothouse remedies to tide themselves over another campaign; if the farmers would read the riot act to the politicians and say, "We have been kicked and cuffed about over this country for two generations, blindly following the leadership of the chief tariff beneficiaries," who become millionaires in normal times almost overnight throughout the year, and then in turn go back to the impoverished farmer and buy up his abandoned farms and establish great plantations and hunting preserves; if the farmers should do that, if they should assert their rights and exercise their undoubted power, they could speedily secure the enactment of all legislation such as they are entitled to demand.

The time has come, in my judgment, Mr. President, when all these excesses—and any reasonable person is obliged to admit that our tariffs are filled with excesses; they are filled with exorbitant rates—the time has come when those excesses should be eliminated and when the American farmer ought to challenge that condition. Every sober-minded American ought to challenge that condition of rank excesses.

Mr. President, what is to become of this country if we continue blindly to go along the narrow economic path which we are proposing now to follow? We must inevitably reduce all our production practically down to the narrow scope of our ability to consume it here at home.

What is going to become of the cotton grower, who must find a market for from 40 to 50 per cent of his cotton in other countries? If the cotton grower hesitates or falters or listens to false counsel, he is going unerringly into a state of peasantry. The cotton grower, in my judgment, ought to set about to improve his efficiency to the highest possible state, in order that he may be able to produce the best possible quantity of middling cotton, and produce it at the lowest possible price. What the farmer needs is efficiency and low production costs, low living costs, low transportation costs, and low marketing costs.

The farmer hesitated with his cotton industry for a while, and we immediately saw Russia put out a new cotton crop in Turkestan; we saw an extension of cotton growing in Egypt and India, with the result that in one year they sold abroad more cotton than we were able to sell abroad for consumption purposes. But the very moment we set about to improve our quality of middling cotton we will cause it to be in demand as against the cheaper, the coarser, and the shorter cotton in every cotton market in the world. That is the salvation, as I see it, Mr. President, of the cotton farmer. Otherwise he must restrict production about 40 per cent and then peddle his cotton on the American market at prices fixed without his permission—at such prices as he can get.

The farmer is in no condition, he has suffered too much already, to undertake experiments. The farmer's level of prices, Mr. President, has decreased 54 per cent since the panic broke in early October, 1929, while the general level of prices of those commodities the farmer must buy has decreased only 32 per cent. There is an impassable gulf between the market situation of agriculture and of industry, and there must be some remedy other than of blindly and casually acquiescing in what somebody says to the effect that if we are going to have permanently a high-tariff policy, then the farmer by some artificial device only must share in it.

Mr. President, I want to repeat what I stated in undertaking to define the situation in 1929, which was while the Smoot-Hawley bill was pending. This was the statement I undertook to set out at that time:

We condemn and denounce both the method of tariff making and the tariff policy pursued by the present dominant Republican leaders in close alliance with a small segment of industry, comprising the chief industrial tariff beneficiaries, under which the latter are permitted to dictate, primarily in their own interest, the present and the proposed extreme high tariff and narrow commercial policy of the Nation. That their revisions, always upward, are intended to promote domestic monopoly for themselves, while impoverishing other domestic industries and flouting foreign markets.

I said further:

That the time has come for gradual and careful revision of these excessive industrial rates—by an uncontrolled Congress with the aid of an impartial fact-finding commission—to a level of moderate or competitive rates, rates so adjusted as to prevent conditions of domestic monopoly on the one hand and to avoid abnormal or unreasonable imports against efficient industries operating under normal conditions on the other—

And so on.

I am opposed to acquiescing permanently in a system of tariff taxation that is largely responsible for our present dislocated economic condition.

Mr. President, this proposal to recoup agriculture drives us at each step more and more in the direction of attempting to restrict production to just what we are able to consume here at home, as I have already indicated. The excess, of course, would be dumped somewhere, in some sort of way, if other nations would permit it; and it remains to be seen as to the extent to which other countries, which are watching us like hawks and fomenting the economic war which we have really instigated, will permit us to dump surpluses or to pursue a policy of bonuses or subventions on exports without retaliation and without resentment.

Of course, it would be easy enough if we could induce our farmers to restrain themselves and to accept some sort of an artificial device which would be guaranteed to give the American farmer more or less relief, while in the meantime this country goes forward for industry in the perpetuation of high and still higher tariff walls around our shores.

I do not believe that this Nation can progress in any definite, permanent, and safe manner from a business standpoint unless it halts and makes a real analysis of the underlying conditions, and adopts a program pertaining to our commercial and economic affairs that is calculated to lead us back to permanent and sound business recovery.

We can see very clearly that world conditions are tremendous factors in the present unreasonable delay of business improvement in this country. It is clear to any sane person that business people are not going to venture forward with large investments when they know that collapsed world conditions overnight may crash into and interfere with their business ventures, and pull them down and hold them down, and so prevent the Nation from going forward as a real, going, economic organization.

I think, Mr. President, that before we hurry to support artificial arrangements of any kind we ought to take stock and see really where we are heading, see where this great Nation is going with reference to other countries, and to what extent we are interdependent in our efforts to rehabilitate our economic situation.

My judgment is that the important nations could have a conference next week and take up the problem of price



level and adopt policies that would be very potent in raising and restoring the present almost hopelessly collapsed commodity price level. We have our cotton and our wheat and our other primary commodities that are bought and sold in the international markets every day in the year at some price, and we must know that those prices are not fixed by us arbitrarily. They are fixed primarily by the law of supply and demand in the world market; and whatever we may attempt to do artificially to lift up and to hold up and to peg the prices of cotton or copper or zinc or lead or wheat or other products of world use and world consumption on a broad scale, our efforts are entirely puny and helpless.

I say, Mr. President, that we have ample time to sit down and deliberate on this matter, and analyze in a broad-gaged manner the extreme difficulties and the unusual complications that exist in our whole economic order, and agree upon a program that would deal practically, basically, and intelligently with those phases of our commodity prices that are so vitally affected by world prices, those phases of our international credit which have hopelessly broken down, and the restoration of which alone an economic conference will make possible, and the hopelessly tied-down exchanges, which prevent peoples everywhere from the ordinary international, financial, and commercial transactions, and which alone an international conference of farseeing, hard-headed business men and statesmen can solve and reveal to an anxiously awaiting public in this country and in other countries.

I say to you, Mr. President, that if we expect to get anywhere in dealing with this unprecedented panic condition, which is so deep-seated and so chronic in its devastating effects, we will not get anywhere by offering mere superficial propositions, nostrums, temporary palliatives, by whatsoever name they may be called. This is too serious and too deep-seated and permanent to be treated in that superficial, careless manner. It calls for the best brains that the most highly civilized nations can furnish to sit down here and brush away the demagogues, brush away the place hunters and the time servers who are always ready to array popular prejudice under the influence of distress incident to panics. The time is here, in my judgment, when this great body of statesmen ought to wake up and face these actual conditions and decide what is wrong, and whether we are going to adopt a policy of restricting all production in this country to just what we can consume.

If we are, then let us frankly say to the farmer that there is nothing left for him except to cut down his cotton production 40 per cent, to cut down his wheat production 25 or 30 per cent, to cut down his corn, to cut down his hogs, to cut down his oats and his rye and his tobacco, to cut down his hay, and all these other staple commodities that American agriculture, at the cost of great labor and immense toil, undertakes to bring forth from year to year. Let him understand that nothing is coming to him in this country in the future except in exchange for just such of his products as the American people in their own way see fit to consume.

Mr. KING. Mr. President—

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Utah?

Mr. HULL. I do.

Mr. KING. I invite the able Senator's attention to the fact that Secretary Hyde and representatives of the Farm Bureau—and doubtless they were speaking for the present administration, including Mr. Hoover—have for a number of years insisted that we should produce less of agricultural commodities, that we should tear up one-third of the cotton crop, and that we should destroy one-half or one-third of certain other crops, anticipating that we were to adopt legislation that would destroy our foreign market, or rather that we were not to seek any foreign markets, and were to confine ourselves to producing only that which we consume, and consume everything that we produce.

I agree with the Senator that we are now at the parting of the ways. We shall either have to adopt the policy that will give us world trade and world commerce and make us a puissant and powerful international factor, or we shall

have to draw into a circumscribed area and build a Chinese wall around ourselves, so that we will have no intercourse with the world.

The Senator is doing a great public service in challenging us to get out of our shell, and to look abroad, and to insist upon playing a man's part in a world that calls for the leadership of this Nation.

Mr. HULL. Mr. President, it is stimulating to hear the able Senator from Utah refer to certain patent facts and conditions which everyone must recognize. I think nothing is more clear than that the people of this country could not escape the responsibility and the duty of analyzing and interpreting the postwar economic situation as it has left us. It left us, as I sometimes say, the greatest creditor nation and the greatest exporting and trading nation in all history; and we were confronted and are now confronted with the inescapable duty of deciding definitely on a future economic policy—a policy that will operate successfully in the light of our place in the world economic situation.

The time has long passed when we might debate pre-war economic formulas or economic notions or policies that were prevalent without particular challenge before the war. It is utterly bootless for us to look back and undertake to discuss the pros and cons of economic policies before the war, when we were a young and a debtor and an undeveloped nation. Since then we have become a creditor nation, with vast surplus-producing capacity; and I lay down the rule, which I challenge any person successfully to controvert, that all of our products produced on a substantial surplus basis or a substantial exporting basis stagnate, prices fall, labor is thrown out of employment, and depression overtakes the industry unless our surplus finds a way to enter world markets on a profitable basis.

You may surround it by tariff walls as high as the moon, just as we have wheat surrounded, and whatever wheat sells for in the world market reacts back upon wheat in our domestic market. That is human nature. That is a law of trade. That is a part of our international market psychology which human experience everywhere confirms.

I repeat, Mr. President, that, in my judgment, we will be recreant to our plain duty unless we decide whether this country is to become a hermit country and order all of the different groups engaged in surplus production in every line to desist, to cut down their labor, throw it out of employment, or put it on three days a week, even though it does it only to reduce its productivity; and that is what generally happens, whatever number of days labor is placed on; or producers will be notified that we are not pursuing the doctrine of living by ourselves, with no concern about world markets, about international commerce, which, as we all say, constitutes the very lifeblood of civilization. We are going to take that course and legislate accordingly and boldly and courageously give leadership to the American people, or we are going to become the victims of fear of the chief beneficiaries of tariffs and other special privilege, whose blind and selfish and dumb leadership constitutes the biggest factor in the present-day world catastrophe. We are going to become subservient to their narrow leadership and to their sole concern for commercial profit, or we are going to assert ourselves, as the statesmen of America during the past generation have unhesitatingly asserted themselves, and give sound ideas and sound policies and competent leadership to the great American electorate. There is no escape from that situation.

I hope, Mr. President, that we will not be called upon hereafter to report at the office of the chief beneficiaries of the tariffs and other special privilege for orders when we come to deal with public affairs. I hope we will not be dragged out of one panic virtually into another by reason of their short-sightedness and selfish leadership that is without vision, that is without constructive ability, that does not look forward, that is utterly indifferent to all the high standards of human conduct, whether they be social, political, commercial, moral, or economical, in a broad and general sense.

The time is here when we should brush aside that sort of benighted position and leadership and go out before the



country this year with a constructive analysis of just how this world panic came on, why it came on, and what were the dominant factors conducing mainly to this complete dislocation of the whole commercial and industrial and economic structure of the world; and then present to our fellow citizens what we conceive to be clean-cut, basic remedies, remedies calculated to inspire confidence among our business people, remedies which carry assurance to forward-looking industrialists and business men everywhere that they can depend upon stability, that they can depend upon sound and safe fiscal policies, sound and safe economic policies, policies which will not permit world conditions or any other unexpected outside conditions to crash in and dislocate our financial and general economic structure.

I desire to make this appeal, Mr. President, because I have grown weary of sitting around this Capitol for twenty-odd years and listening to the old song that everybody must bow down and listen to the chief beneficiaries of governmental favoritism in this country, that only they are competent to tell us what to do, that we must follow only them, and accept their advice.

Notwithstanding the disastrous experiences we have had in our efforts to follow them, nothing is clearer, in my judgment, than that under these new postwar industrial and commercial conditions, unless this great Nation becomes a trading nation, unless it utilizes its boundless resources, its materials, its manufacturing production, its trading opportunities, there is nothing left in this country except for agriculture, in the first place, to head straight down to a condition of permanent peasantry, to become the servants of industry, for the reason that all these plans and devices of favoritism which people come here and get from Washington in the way of legislative hand-outs and rake-offs, including tariffs, mean nothing more than a transfer of the property of a citizen who gets no tariff benefits, like the corn grower or the hog grower, to the citizen or manufacturer who does get tariff benefits, with the result that we have to-day a constant redistribution of property in this country.

All these artificial proposals mean that that redistribution shall go on until the chief population of the Nation reaches a condition of economic helplessness, and I am opposed to that. I am in favor of halting all this mad and half-crazy exaltation of what we call living to ourselves, what we call economic isolation, and what we are preaching everywhere. I am opposed to exalting that, and to teaching people everywhere that they can really live by themselves; that they can really produce surpluses and in some way get rid of them, here, there, or somewhere else. I am opposed to teaching what I consider such erroneous economic policies to the greatest creditor and surplus nation in all history, leaving the impression that we can go forward as though we were a provincial country, not producing enough foodstuffs to consume, not producing enough manufactured commodities for export, not producing surpluses in any important line above our capacity to consume. If anybody thinks we can go forward in that way, without stagnation and falling of prices and inability to transfer goods and capital between nations, we only have to attempt further pursuit of the identical course we were following when we plunged into the world panic in October, 1929.

We will find inevitably that for a creditor and a surplus-producing country on the huge scale and magnitude of ours to pursue such a course will mean insecure and unsound business foundations from year to year as we go forward; we will find that business is in a lopsided condition; that monetary instability is rising from year to year, to confuse and demoralize our industrial and commercial affairs; and we will find that about every half dozen years this Nation will plunge into a new panic, as it did in 1929, after it had emerged from the panic of 1923, equipped with every possible agency to safeguard it and guarantee it against a repetition of a panic similar to that of 1921-1923.

It is not possible for a great overproducing nation, with a great surplus of credit and gold, to maintain the gold standard or to maintain monetary stability and at the same time produce up to a normal level and to ship and sell its

surpluses at a profitable return in order to give employment here at home to our capital instead of exporting gold.

If we are to give employment to our capital instead of exporting it, if we are to give our manufacturers a chance to produce instead of transferring their plants in the form of branches or otherwise to all the other nations of the world, if we are to give American labor full employment at high wages, with high living standards, we must find ways to sell our surpluses; and if in lending \$28,000,000,000 during recent years we are not able to find markets for our surpluses, then we ought to be kicked off the face of the earth, because it would be due to utter incapacity and utter stupidity and cupidity if we should sit here with our merchant marine, with our credit advantages, with our Panama Canal, with our loans running into the billions, and pusillanimously admit that we were not able to sell our surpluses, that we are suffering from a great glut of excess of production, which inevitably results in falling prices, in every sense setting back the great industrial conditions of this country.

Mr. President, I could not refrain from offering these remarks, in view of the new and wholly unusual condition that confronts the American people with respect to their industrial and commercial and economic affairs. I could not refrain from making an appeal to my colleagues, which I hope is void of any vestige of partisanship, to stop and examine these conditions and to decide whether or not we are under serious obligations to prepare a modernized program and present it to the American people, instead of falling back to those hopeless and antiquated and archaic formulas about economics, and through them endeavoring to lull to sleep American agriculture and all the victims of favoritism which certain groups are accustomed to come here and demand and receive ad libitum.

With all due respect to any of my colleagues who differ with me, I am opposed to any economic policy that contemplates exclusive advantages to any individual or group of individuals in this country. If I vote for the debenture plan, which I oppose in principle, it will be solely upon the theory of fighting the devil with fire. I am also opposed, of course, as many of us have said, to what might be called absolute prohibitions. In many countries to-day they have what they call the quota system, which has been carried to such extremes that a government abroad will not only say how much of a given import can be brought in, but from which nation it shall be purchased, to the exclusion of other nations.

I am opposed, of course, to the policy toward which we are steadily gravitating, and that is a more and more autocratic method of dealing with the international, financial, commercial, and general trade situation. I am opposed to that phase of it which prescribes absolute embargoes, embargoes just as complete as any embargo rate that can be found anywhere in the Smoot-Hawley bill. They all embody the same principle. They all embody the same economic philosophy.

So long as we proceed to play up agriculture with tariffs and play up industry with tariffs, vying with each other as to who can raise the rates the highest, with one group in Congress exalting the rates of industry or manufacture and undertaking to hold down the rates of agriculture, and another group facing them and exalting the rates of agriculture and undertaking to hold down the rates of industry or manufacture, naturally both finally get what they want and both finally adopt the same philosophy, economically speaking. But agriculture gets only paper rates. The result is that excesses are indulged in, and other countries follow suit, either by way of retaliation or by example, and finally the world finds its entire economic structure badly and severely dislocated.

It is against these possibilities, against these conditions that I am protesting. I am in favor of moderation with respect to all these policies, moderation as to commercial policy, moderation as to obstructions to imports by all the nations in order that we may exchange our surpluses, in order that we may give capital and labor and agriculture



full leeway in this country with high living standards and high earnings at home.

Mr. President, I had intended to offer two or three amendments relating to certain phases which I have discussed, but for the present I shall await some expression from some of my colleagues who differ with me. I would like very much to ascertain some concrete reasons in support of the narrow and blind and deadening policy of what we call economic isolation.

Mr. FLETCHER. Mr. President—

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Florida?

Mr. HULL. Certainly.

Mr. FLETCHER. I share very generally the Senator's views on the tariff. While I deplore very greatly and hold that there is no possible excuse or reason for some of the schedules and some of the items in what is known as the Smoot-Hawley bill, still I have thought, as I thought at the time the vote was taken, that it was an improvement over the 1922 act, principally because it undertook to make provision for agriculture.

Whatever we may say about the tariff, the Senator will admit that we do have a protective tariff in this country, and it has been in operation a great many years so far as industries are concerned. Under that tariff agriculture has never had any fair show or fair treatment. We attempted to remedy that to some extent in the tariff act of 1930, but even that has not been effective. The question now is, How are we to place or approach placing agriculture on the same level with industry as to our tariff system and under our tariff laws—tariff benefits, if you please? That seems to me to be the main question. Whether or not the Senator would disapprove of the tariff laws as affecting industry, ought we not to attempt in some way to apply the same rule to agriculture that we do to industry under the tariff laws?

Mr. HULL. I appreciate the Senator's interruption and the spirit in which he speaks. I would say in reply, from my own viewpoint, whether it is sound or unsound, that any nation having agriculture that is producing on an exporting basis presents a situation where agriculture is at a hopeless disadvantage in competing with manufacturing industry for tariff benefits. In countries like France and Germany, where the farmers do not produce enough to meet the domestic consumption of their fellow citizens and their home population, they are in a position to go and demand every farthing of their relative share of tariff benefits; but in our country our farmers are unfortunately on an exporting basis as to 90 per cent of the acreage planted to crops in this country. Their tobacco is on an exporting basis, as are their wheat, their corn, their hogs, and all their hog products, their oats, and most of their staple commodities. Even wool has fallen 40 per cent in this country, although we do not produce enough for our home consumption.

I suggest this observation first, that our farmers can not hope to secure what is called economic equality so long as they are on a substantial surplus-producing or exporting basis as to their chief productions. That, I think, has been demonstrated by human experience and that is why I plead for moderation instead of letting our industrial friends come here and dictate more than once.

During the 22 years it has been my privilege to sit on tariff-making committees at one end of the Capitol or the other, I have occasionally sat down with a Republican friend of mine and we have been able to agree on what would constitute a proper tariff rate on a given article. But the next week a manufacturing beneficiary, who had put up a good-sized campaign fund for some political party, would come to Washington and say, "Thirty-five per cent which you people suggest is not what we want. We want 65 per cent," and 65 per cent would be approved before the tariff bill makes its way through the Capitol.

It is these excesses about which I complain. I think I have a right to appeal to my colleagues, regardless of political persuasion, to join and halt these ever-increasing excesses that creep into our whole legislative situation. Then

we would be able to face in the direction of moderation. We have been in the habit of permitting business to come here and make assurance of its needs for relief, and we would then prescribe rates for the entire industry, which includes the efficient as well as the inefficient part of the industry.

We have had that kind of abuses and our good friends on the Tariff Commission have that psychology. They have that slant in the direction of ultrahigh tariff philosophy. They honestly believe that whenever anybody makes the slightest complaint they should soon get busy and find some set of figures upon which to base some favorable action. I think it is inexcusable when we look around at our methods of tariff making. Just a few days ago I noticed where the Tariff Commission had frankly admitted that it was unable to ascertain foreign costs in six out of seven cases which it had reported to the President. In other words, we have carelessly adopted or carried along that yardstick of difference in cost of production, with the result that in 9 cases out of 10 nobody pretends that the facts can be ascertained as to foreign cost, so that we have the unfortunate condition of the Tariff Commission sending out its clerks to get the figures about invoice value and from them infer the foreign costs, and on that basis our entire tariff revision or policy and action is based.

I am opposed to that. It is not fair. It is not justified. From my viewpoint if we would liberalize our commercial policies and let business everywhere understand that as we become independent economically we would gradually unfetter ourselves, we would soon have a far healthier state of business prosperity in this country than we have been accustomed to have. We would have ready markets for our surplus exports, and we would employ all our American labor at good wages in this Nation, instead of seeing plants by the thousands take their flight to other countries and billions of American capital taking its flight to other countries, while 7,000,000 or 8,000,000 American people are thrown out of employment here, and our agricultural population come here looking for a hand-out, which it is told will place it on an economic equality with those industrial producers who are able to reach out and take in their tariff benefits to the extent of 100 per cent.

That is the situation, and I apologize for having consumed the time of the Senate to venture to inject the impressions and opinions I entertain in that respect.

Mr. COPELAND. Mr. President, there can be no doubt the world is in dreadful health. The worst of it, the doctors do not agree as to why the world is in this condition and certainly are not agreed as to what should be done to relieve the disease. In my profession I have witnessed a similar state of affairs in the sick room. A patient has had an ailment, and it is apparent he is very sick, but there is no agreement on the part of the doctors as to what is the matter with him and less agreement as to what should be done about the case.

America is in the unfortunate position of being without a single friend in the family of nations. We have no friends. Perhaps we do not deserve to have. Anyhow, it is perfectly natural for a nation to hate another one to which it owes money, as the individual hates the man to whom he owes money. The nations of the world are in debt to us. They can not pay. They do not understand our attitude toward their predicament. In consequence they have no feeling of friendliness for us, and we have not promoted a spirit of friendliness on their part by our various tariff legislative acts. I am not finding particular fault with those acts. I have had a part myself in putting into various tariff bills items which were of interest to my locality; but, nevertheless, because of these acts, we have alienated still farther the good will of foreign nations.

Then, Mr. President, we have our own domestic distress. If I diagnose the situation rightly, the people living in the industrial centers and in the financial centers are in exactly the same frame of mind in which the farmers have been for the past 10 or 15 years. In the cities the people have not been used to this sort of thing; in the country the farmers are getting hardened to it, perhaps. Because of the



fact that the city dwellers are now feeling the pressure and the stress and the strain of economic disaster, there is a hysteria of desire on the part of those living in the industrial and business centers to have something done to bring relief and to bring it speedily.

Some of us who live in the great centers of population have long espoused the cause of the farmer. We have seen, or thought we could see, the necessity of restoring his buying power. I have said in speeches a hundred times in New York City that unless the farmer can have his buying power restored, there will be bread lines in the cities, and there are bread lines in the cities. One of the reasons why there are such bread lines is that the farmers can not buy the things which are made in the cities.

Mr. President, it is very easy to take a "Pollyanna" attitude and to say that everything is going to be all right. I read as patiently as I can the hundreds of letters I receive telling me what is wrong with the Congress, how bad we are. At the same time they tell me how necessary it is that we balance the Budget; how necessary it is that we should have a moderate tax bill; how necessary it is that we should have a sales tax; how important it is that there should be found ways of raising revenue that will not put undue pressure upon the country, but at the same time will restore the country to prosperity.

Mr. President, I think it is a good idea once in a while to tell the country the truth. In my judgment, what we are going to do here between this time and the adjournment, while it may produce a certain psychological benefit for a few weeks, will not solve the distress of the American people. I know when I say that I am going against the conviction of thousands of good citizens who think that the recovery of the country is retarded by the slowness of Congress to act and that prosperity will be restored the minute Congress adjourns, having balanced the Budget, as we are undertaking to do. There will be no such recovery because of our adjournment. I know there will be a sense of relief. I think the people of the United States feel toward Congress about as the nations of Europe feel toward the United States. They do not like us. Somehow or other we are associated with all their troubles. We are associated in their minds, at least, with all the distressing conditions from which they suffer; and many of them believe that when we adjourn, having balanced the Budget, all of the troubles of the country will disappear.

They will not disappear, Mr. President. The causes of this great national and international depression are far beyond any relief that we can afford by legislative act.

It was only a few weeks ago that the country was demanding that the Glass-Steagall bill be passed. It was demanding that the Reconstruction Finance Corporation bill should be passed. The belief was held by our people that when those measures relating to the fiscal policy of the United States should be enacted into law, business would be restored. Those bills were enacted into law, but business was not restored.

There was the same enthusiasm for a few weeks, the same psychological effect that is going to flow from the passage of pending measures, including the economy bill, and from the adjournment of Congress, but the causes of the Nation's distress will be here just the same. We may relieve some of the symptoms that are annoying, some of the conditions which are really superficial, but the fundamental defects will be here just the same.

How can we hope, Mr. President, to have a recovery of business in the United States when the bankers hoard in their vaults the money of the Nation? If I were a banker, I would not take any pride in saying, "My bank is 85 per cent liquid." To my mind it is just as absurd for a banker to say that his bank is 85 per cent liquid as it is for a hospital to say, "85 per cent of our beds are empty," when there are a thousand persons applying for admission. It never was intended that banks should be liquid. What is the use of piling money up in the banks unless that money is to be used and turned over in industry and in business? The banks

are hoarding their money. A year ago there was a great campaign to get the people to stop hoarding money that was hidden under the mattress or put in the teapot. It was said, "If we get that money out of these hidden places and into circulation, prosperity will come." Is it any different, Mr. President, for banks to hoard their money than it is for individuals to hoard their money? I fail to see the distinction.

The President may appoint commission after commission; he may take pride in the fact that a great group of men in my city recently organized a committee to help pour out credit. I pray to high heaven that that committee may succeed; but until the banks of America function as banks should, there can be no return of prosperity.

We are now called upon by the plan of the President—and when I mention him I am not doing so by way of criticism; I am simply dealing with the facts as they are—to provide by legislation that a large amount of money, under control of the Reconstruction Finance Corporation, shall be used to aid industry. Mr. President, why should a corporation established by Congress be used to aid industry? What are the banks for? We passed legislation to assist the banks in order that they might aid industry. Why do they not do it?

Now we have this bill before us. It is an essential piece of legislation; it must be passed in some form. I want it passed; I intend to vote for it. As one Member of the Senate, without criticism of any of my fellows, I have felt incensed that there were put into this bill items relating to tariff schedules, items which have no more business to be put in this bill than they have to be put in the collection box at church next Sunday.

This is not a tariff bill; nobody contends that we are going to derive revenue from these tariff items. I will join with others in a limited revision of the tariff at the proper time. There are industries in my State which I think need help. It does not make me happy, Mr. President, to know that 10,000 men and women who normally work in the sugar refineries of New York are now without work because of the lack of a proper differential between raw sugar and refined sugar. My heart goes out to them. I plead with the Senate two years ago for a tariff on gypsum. There are great mines of gypsum in the western part of New York, where miners for generations have been bringing up the gypsum from the depths of the earth. But, for my part, I have resisted every single appeal to put into this bill anything relating to the tariff. I did so because I had a conscientious conviction that they did not belong here.

I do not look with favor upon the alliance which made possible the incorporation in the bill of the tariff items which have gone into it. They ought not to have gone in. I have voted and shall continue to vote against every single item relating to tariff schedules, even though I may feel that a given item is of interest to my State, because I think it is improper to include tariff items in this bill.

Mr. President, because of that conviction, I am embarrassed by the presentation of the amendment offered by our distinguished friend, the able Senator from Nebraska [Mr. NORRIS]. I voted for the debenture plan. If it were before us now independently of this bill, separated from these tariff items, I would vote for it again; but, Mr. President, I have the feeling that it would be no kindness to the farmers of America to vote the debenture into this bill, because the prejudice of certain factions in the Congress is such that in all human probability the debenture would disappear in the conference.

If I am led or forced into voting against the debenture, I want it to be understood by the farmers of my State—and we stand eighth in agriculture—I want it understood by the farm groups of the country generally, that my vote is not intended as a vote against anything which will help agriculture. But I do not want the farmers of America to join the unholy alliance which has put in this bill items which have no business there, items which will add to the cost of business, the cost of agriculture, and which will place another burden upon the American people.



If the copper tariff had been considered here by itself, I should have pointed out the fact that 200 items, articles in common use, will have a corresponding tariff increase by the wording of the bill in order to meet the tariff upon the raw material. The inclusion of these tariff items in the bill will add to the burden of our people at a time when that burden should be lightened and not increased.

So, Mr. President, I should be sorry to see the farmers made a party to this unholy combination.

In saying that I am not unmindful, as I have already said, of the great distress of American agriculture. There can be no doubt of that distress. I do not know anything about cotton or tobacco. I know nothing about corn. I know something about wheat. I know that the Canadian wheat grower, with his fertile soil, can grow 50 per cent more wheat upon his acreage than the American farmer can grow. Much of the wheat land in Canada is virgin soil, rich and productive. It will grow 50 per cent more wheat per acre than our depleted lands will grow. I know that the initial cost of the Canadian land, the investment of the farmer, is far less than the investment of the American farmer in wheat lands. I know that the labor costs in Canada are less than they are in the United States. Beyond that is the fact that the nationally owned railroads of Canada have nailed to their charter a requirement that those railroads should make a rate on wheat from Saskatchewan and Alberta to the lake head which is materially less than the rate charged on wheat from Montana to Duluth.

How can the American wheat farmer hope to compete with the Canadian wheat farmer with less interest charge, with less labor cost, with greater productivity, with lower freight rates? How can the American wheat farmer hope to compete with the Canadian farmer under those conditions?

In the next place, we can not disregard the fact that blood is thicker than water. Liverpool is the wheat center of the world, and the English will buy from the Canadians before they will buy from the Americans. Unless there can be found some means of practical relief for the wheat farmers of America, they are crushed, and crushed forever.

As I have said, I do not know about cotton, tobacco, corn, or pork. I have no doubt that the things I have said about wheat apply to those other farm products.

What are we going to do for the farmer? Mark my words, Mr. President, we must do something for the American farmer that will better his condition or he will become worse than the serf and peasant of the Old World ever were. We might just as well face these facts as sane and sensible men. The buying power of the farmer must be restored. If there is any sort of legislation that will be effective, either the allotment plan or the debenture plan or the equalization fee, we must give the farmer the benefit of an enactment that will make it possible for him to make use of this method of marketing his product.

For my part I have always had faith, and have faith now, in the equalization fee. A flexible, varying fee, suited to the year and the season, has in it, as I see it, soundness from an economic standpoint, and success in practical operation. I do not care what the method is, however. If there is a method which will make it possible for the farmers of America to sell their products at something beyond the actual cost of production, the farmers of America are entitled to that relief.

Ah, Mr. President! I wish we could find a way to solve all these problems that face us. We have the question of the international debts. Sometimes I get a little provoked at the newspapers because they do not fully quote me, and I suppose other Senators do. I saw a roll of the Senate a few months ago which told about what Senators were in favor of cancellation and what Senators were in favor of full payment and what Senators were in favor of a moratorium. I found my name in a list of those in favor of cancellation.

I am not in favor of cancellation. These debts are due us. We are entitled to be paid. We never will be, but at least we are entitled to be paid.

But, Mr. President, we are a peace-loving people. We want to impress upon all the countries of the world our desire for peace. I have enough confidence in the character of other nations to believe that they want to pay their debts, too. If I had my way, I would have the nations sit down around a table, and I would say to them, "You owe us so much money. We are not going to cancel that debt; but year by year we will cancel the interest and principal payment due that year, provided you give us evidence that you have reduced your expenditure for armament to that extent; and then next year, if you do the same thing, we will cancel further." At the same time that the nations of the earth disarm we in our turn can disarm. We can not disarm before.

Mr. President, those who say, "Let the United States take the lead in destroying its Navy and doing away with its guns and reducing its Army" are indeed idealists. We can not do those things which make for permanent peace until we are joined by the nations of the earth in doing the same thing, in carrying out their part of the same program.

I have no doubt that our relationship with other nations would be improved if we had that understanding. The hatreds which they have for us now would not be so great. But, Mr. President, we ought not at this moment, by any enactment of ours, to indicate our unfriendliness to other nations. So I say that this is not the time, this is not the occasion, for us to do anything relating to the tariff.

I have believed, and I believe now, that the Tariff Commission can be extremely useful to us.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. COPELAND. I yield to the Senator.

Mr. LONG. We respect very much the advice of the Senator from New York. Does he think that the debenture plan connected with this tariff bill would be a good thing?

Mr. COPELAND. Mr. President, if this debenture plan were before us as an independent thing, unassociated with the "unholy alliance," of which we have heard, I would vote for it. As I said a little while ago, I have faith in the equalization fee; but I do not think this is the time to attempt to solve the problem of the farmer by putting into this bill even a second cousin to the tariff items which are in it.

Mr. President, I am not going to say more. I know that there has been a vein of pessimism in what I have said; and I do not want to have the figure of speech which I use now forced into a wrong application.

It is always the duty of the doctor to tell the family the truth if the disease is serious, and perhaps likely to take the life of the patient. I do not want a forced application made of that. I do not believe that America is going to die, or that the world is going to be destroyed; but I think the country should be told, and told frankly, that there is not in this bill, there is not in the balancing of the Budget and in the economy measure which we must enact, any hope of recovery from the depression in which we are.

Mr. President, that makes no difference. It is our duty anyhow to do these things, unpleasant as they are. No man likes taxes. I come from the State which pays one-third of all the taxes of our country. When we raise \$3,000,000,000 in taxes, my State pays \$1,000,000,000 of those taxes. There is no State in the Union which will feel more the effect of the taxes which we provide for than my State. But that makes no difference. The taxes provided for in the pending bill must be levied, and they must be paid, and if they are burdensome to my constituents I am sorry.

The economies we demand must be accomplished, but, as I have said before, after we have done all these things, after we have passed the tax bill, after we have passed the economy bill, after we have passed the greatly reduced appropriation bills, our country will still be in the morass of distress and economic trial.

Every citizen of the United States owes it to his country now to do everything he can to bring it back to prosperity. There rests an unusual burden upon those who control the fiscal policy of our country. In all frankness, Mr. Presi-



dent—once more I go back to my own city—I say in all frankness that the bankers of the United States are not doing their duty. We must be aroused in our country, and no citizen should be more aroused than the banker. The trouble is not with the small banker or the small bank. The trouble is away up at the top, so far up that the group in charge is an invisible group, an oligarchy, an invisible oligarchy, controlling the welfare and the fate and the future of the United States.

Mr. President, there must be made an effective appeal to that invisible oligarchy. We can not have our country broken and destroyed because of the attitude of a few men. We should make the appeal to that group to send down word through the big banks to the smaller banks, and so on, to the little banks, in order that the fear which now governs all bankers may be relieved, and that the banks will function as they ought to function.

Mr. President, money is the blood of the Nation. The life of the individual depends upon the circulation of the blood within his body. Unless these banks function so as to circulate the money of our Nation, our Nation must continue to suffer from anemia as it is suffering.

I hope no citizen of the United States will be misled into thinking that the fault lies in Congress, that we are to blame for the failure of the restoration of business in the United States. It is not our fault. It may be our fault that we delay some things. It would be our fault, and a serious one, if we were to fail to pass pending measures. But in the last analysis the trouble is not here. The trouble is with the invisible oligarchy. Until the money is permitted to flow, there can be no money for the industrial plants, there can be no money for the movement of crops, there can be no money to finance the farmer.

Mr. President, the cause for this ailment of ours lies far beyond this Chamber, far beyond anything within our power to correct.

When I rose in my place, I had no thought of saying all these things. It can readily be believed that I will be bitterly criticized in high place for what I have said. But beyond the pleasure of having the good will and the kind words of those in high place, I would rather see my country restored to prosperity. I want to do everything I can, of course, but the people themselves, outside of the Congress, have a solemn responsibility resting upon them. They must use their influence to see that those who have it in their power to restore confidence and to restore floods of money into the marts of trade render the assistance which they are capable of giving.

I am not at all satisfied to have it charged against the Senate that its dilatory action and its failure to enact measures are responsible for the conditions which exist. They are not. Nevertheless, it is our duty to pass the pending bill, and I hope we may speedily send it to the President for his signature.

Let me express again my regret that because of my attitude toward the matter of tariffs I doubt exceedingly whether I can bring myself to vote even for a thing which is apparently so desirable as the debenture.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. SMITH. Has the Senator any doubt at all that practically every dollar this bill is supposed to bring in will ultimately have to be paid, in the larger part, by the wage earners and the farmers of this country?

Mr. COPELAND. Undoubtedly it will.

Mr. SMITH. Very well. The Senator has taken quite a good deal of time, as have others who have preceded him, to reiterate what we all know, that the farmers of this country almost universally are bankrupt and ruined. When we consider that wheat has dropped from more than a dollar a bushel to about 25 cents and that cotton has dropped from 25 or 30 cents a pound down to about 5 cents a pound and that livestock does not bring enough to pay the freight to get it to market; that as to one item alone, namely, cotton, the difference between what was obtained for it and the cost of production in one year amounted to \$800,000,000, does

the Senator feel justified in voting for the pending tax bill, to balance the Budget, which will impose a burden of a billion dollars additional on the already unspeakably oppressed agricultural class, without carrying along with it in some shape or form the possibility of enabling the farmer to meet that burden which inevitably, under the law of gravitation, will be found resting on him?

The Senator said we ought to pass the bill and let it go into operation, a bill which would extract from the already distressed people of our country a billion dollars. Would the Senator make no provision, contemporaneously with passing that bill, for aiding the farmer in some way, somehow, to meet this additional obligation we will lay upon him?

Mr. COPELAND. Mr. President, before I answer the Senator's question, I want to ask him one. The Senator from South Carolina has an unblemished record as regards his attitude toward the tariff. Not in all the years I have been associated with him have I known him to vote for any tariff, regardless of how he might think it might be of some temporary benefit to his State.

I want to ask the Senator a question not for the purpose of controversy but because I am sorely distressed. I have been so outraged by the inclusion in this bill of these extraneous subjects, things which had no business going into the bill, that I made a solemn declaration that I would not vote for any tariff, no matter what it was. The Senator has a record so unblemished that I want to ask him now whether, in all good conscience, he can vote for this amendment?

Mr. SMITH. This is not a tariff amendment. This is exactly along the line of the measure I tried to make plain to the Senate the other night we ought to enact.

Mr. COPELAND. If it is not a tariff, it is the "reverse English" of it, then.

Mr. SMITH. If you by law force me to pay a dollar a unit more for an article than the price for which I could have gotten it otherwise, you are in duty bound to provide me the means of paying that extra dollar. In other words, if by the imposition of a tariff you force me under the law to pay more for an article than I would without the tariff have had to pay, if you have a sense of democratic justice, you will provide me with the means of acquiring the extra amount I would have to pay.

The principle of the debenture is this, that there are these unorganized farmers in our country who have no reserve power. They are individualists. But their aggregate products are the hope and life of America. We have forced them to pay a tribute to organized and protected industries in the prices they pay for whatever they must purchase. We can not justify ourselves in that. But we will do this, we will take away from these protected individuals enough of that which they get and turn it over to those who have had to pay the extra amount for their products, not on account of any lobbying activity on the part of the farmer, but out of a sense of justice. We say, "We are not protecting you; we are simply keeping the protected individuals from taking from you that to which they are not entitled." It is the reverse of the protective tariff. If the policy of protection is carried to its logical conclusion, we could take from the protected every dollar of profit they have and distribute it amongst the unprotected.

The senior Senator from Texas [Mr. SHEPPARD] has introduced a bill which illustrates the point I am making. He provides in that bill that where any agricultural export product has to be sold in the free markets of the world such product may be exchanged by barter abroad for articles needed by the exporting farmer and that these articles may be brought to the American exporting farmer free of duty.

Mr. SHEPPARD. It practically provides for foreign trade by barter in our export products, foreign articles so acquired to be delivered to the exporting farmer without tariff charge.

Mr. SMITH. By barter. Therefore, this amendment is nothing more nor less than that principle applied in practice.

Mr. SHEPPARD. My measure is intended to meet existing emergencies and is to terminate when farm prices



shall have been restored to parity with American manufactured products.

Mr. SMITH. If we can not reach the farmer—and we can not reach him by this nefarious, unholy, unjustified principle of a protective tariff—if we can not reach him, and he is a citizen of this country, we are in duty bound to recompense him for the injustice done him. That is the position I take.

Mr. COPELAND. "Almost thou persuadest me," may I say to the Senator from South Carolina. I have been terribly distressed over this matter. I have talked with my charming and beloved seat mate [Mr. GEORGE]. I have talked with my leader [Mr. ROBINSON of Arkansas] about it. I want to do the right thing. I know the farmer is ruined if we do not do something for him, but I am afraid the bill we have before us is ruined if we insert the debenture plan.

Mr. SMITH. Let me change the phraseology for the Senator. He said the farmer is ruined if we do not do something for him. The farmer is ruined, and we had better do something for him. That is where the thing stands now. There is no question of "if" about it.

Mr. KING. Is not everybody ruined?

Mr. SMITH. Yes. Sometimes I think we are coming at last to a realization of the really vital part the farmer plays in the economic structure of our country. For the first time in the history of the country we get no revenue and get no trade from the agriculturalists for the reason that there never was a time in all the history of organized society and civilization when wealth was so powerful and poverty so helpless as to-day.

Mr. COPELAND. I think that is true.

Mr. SMITH. The things wealth can get by an expression of its power are infinitely greater and more numerous than 40 years ago. Any man that holds the labor of an automobile and has the price to pay multiplies his individual power to every horsepower expressed in that vehicle; and by the same token, as wealth gathers unto itself power, just by the law of comparison poverty sinks that much deeper in the scale of organized society.

Mr. COPELAND. I think the Senator speaks the truth, but I want to ask him this question. In my State we make a good deal of fish oil. It is used in making soap. That industry feels that it is terribly hampered and its very existence threatened by foreign competition. If I should be willing to vote for the debenture, which is a sort of reverse English on the tariff, certainly a second cousin to it—

Mr. SMITH. No; I do not think it is related at all. I think it is a necessity growing out of the farmer calling for merely simple justice.

Mr. COPELAND. My fish-oil man would say that his necessity is such that he must have a tariff to cut out foreign competition in order that he may sell his fish oil. What am I going to say to him if he hears that I voted for a debenture which is going to assist the farmer and then tell him I am not able to vote to put a tariff on fish oil?

Mr. SHIPSTEAD. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Minnesota?

Mr. COPELAND. I yield.

Mr. SHIPSTEAD. I may say to the Senator from New York that when the pending amendment has been voted upon, I have an amendment already printed which I intend to offer immediately, which will take care of the fish oil of the Senator from New York. [Laughter.]

Mr. COPELAND. The Senator is a tempter! Mr. President, I must not detain the Senate longer. I shall attempt to keep an open mind on the matter of the debenture, hoping all the time that I may be convinced that it is wise to vote for it. I do know that the farmer must be helped. There must be found some way to relieve his distress or our whole economic system is going to break down. His is the basic industry, and without prosperity on the farm there can be no prosperity anywhere.

I want to do what I can to help the farmer. When he is happy the Nation thrives. His fate is the fate of all.

Mr. ROBINSON of Arkansas obtained the floor.

Mr. SHEPPARD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Hull	Robinson, Ark.
Bailey	Cutting	Johnson	Robinson, Ind.
Bankhead	Dale	Jones	Schall
Barbour	Davis	Kean	Sheppard
Barkley	Dickinson	Kendrick	Shipstead
Bingham	Dill	Keyes	Shortridge
Blaine	Fess	King	Smith
Borah	Fletcher	La Follette	Smoot
Bratton	Frazier	Lewis	Steiger
Broussard	George	Logan	Stephens
Bulkeley	Glass	Long	Thomas, Idaho
Bulow	Glenn	McGill	Townsend
Byrnes	Goldsborough	McNary	Trammell
Capper	Gore	Moses	Tydings
Caraway	Hale	Norbeck	Vandenberg
Carey	Harrison	Norris	Wagner
Cohen	Hastings	Nye	Walcott
Connally	Hatfield	Oddie	Walsh, Mont.
Coolidge	Hayden	Patterson	Watson
Copeland	Hebert	Pittman	Wheeler
Costigan	Howell	Reed	White

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

Mr. ROBINSON of Arkansas. Mr. President, the debate on the pending amendment has been somewhat prolonged and there is no intention on my part to defer the vote longer than is necessary to state the conclusion which I have reached after a somewhat full consideration of the subject.

It is still my opinion that a great mistake was made when the Senate consented to the consideration of tariff items in the pending bill. The author of the pending amendment and others here foresaw that such a policy would invite issues which necessarily would delay the passage of the revenue bill.

It seems to me pertinent to state also that the main consideration underlying the adoption of tariff items has not been to obtain revenue but to secure protection for the interests affected by the various amendments proposed. Of course, there is a probability that a limited amount of revenue will be derived from the various articles upon which duties are imposed, and certainly from some of them; but if there is anyone here who doubts the primary consideration is to secure protection rather than revenue, I think there are abundant facts and arguments to convince him that his belief is unfounded.

It would be easy to force this amendment into the bill and thus bring about a condition that would delay indefinitely the enactment of revenue legislation; and there has been provocation for that course; but the conclusion which I have reached, after listening to the arguments, is that such a result is still to be avoided, if it is possible to do so.

This Congress can not complete its labors without giving consideration to legislation affecting the agricultural industry; but it is my conclusion that it is unwise to attempt to attach such legislation to this bill, for the reason that, in all probability, it will not become effective. Within the last few minutes the able Senator from Minnesota [Mr. SHIPSTEAD] has announced his purpose to propose a tariff protection amendment in some form, and without doubt there are numerous others to be presented. If those primarily charged with responsibility for this legislation insist upon a revision of the tariff on a revenue bill, they may be compelled to take the responsibility for the consequences of that policy. For the very reason that it is impracticable, not to say impossible, to conclude the consideration of tariff proposals that, from the standpoint of their proponents, have merit, within a brief period, it would have been the part of wisdom to have treated the tariff question separately from the revenue issue.

I have great sympathy with the forceful argument made by the Senator from Nebraska. He has pointed out in language which can not be forgotten that the effect of the pending measure, in so far as it has been framed, is not



only to impose additional tax burdens upon those who are not the beneficiaries of protection but it is calculated and designed to add materially to the cost of the necessities which they must buy and consume. That declaration of facts is indisputable, and for that reason those who seek to equalize the burdens carried by this bill find justification for the proposal submitted by the Senator from Nebraska. But, Mr. President, it is a well-known fact that any bill embracing a debenture provision for agriculture must encounter the peril of an Executive veto. That consideration does not intimidate me, because if the processes that are prevailing in the writing of this bill are to be continued, then a veto of its provisions may be justified in the interest of the American people, notwithstanding the imperative necessity for the balancing of the Budget.

Under the language of the amendment it will not be effective during this administration if we adopt it. Is there a Senator who hears me who believes that the Federal Farm Board as now constituted would exercise the discretion which it is proposed shall be vested in them to find the necessity and administer the provisions of the act? I know it may be said in answer that if the proposal be meritorious the responsibility should be placed on those who are charged with its administration for failure to make it effective. I have voted against the incorporation of any tariff item in this bill and against the tariff items which are in the bill in the belief that to pursue any other course invites, if it does not compel, a policy here which will result in confusion, combination, and detriment to the public interest.

On two occasions the measure proposed by the Senator from Nebraska received my support; and let me say now that before the Congress shall adjourn I favor taking up and considering the measure reported by the Committee on Agriculture and Forestry containing, as I understand, among other things, the provision relating to debentures.

It is neither my purpose nor province to criticize the course taken by other Senators; but I have felt that there is a sane and practical policy which does not invite the acceptance by one Senator of a tariff proposal in order to secure the adoption of his own. I still feel that the manly, straightforward course to be pursued is promptly to write the revenue bill and obtain the revenue necessary to balance the Budget. In general terms, it is easy to make that declaration; in practical application there is great difficulty. We are reaching out into the upper regions and into the lower regions, searching everywhere for new sources of revenue; and there is not any plan that has been suggested under which the Congress can secure a billion dollars in addition to the funds now being received by the Government under our tax laws without imposing hardships and some measure of discrimination. No matter what we do, the result is not going to be popular. The Senator who votes against a measure to balance the Budget and maintain the national credit will invite condemnation; the Senator who supports any bill that will add \$1,000,000,000 to the load the American people are now carrying in the form of taxation is certain to receive censure; but there is a duty to perform, an obligation to be observed, and I feel sure that every Senator here recognizes that obligation.

If we go forward in the way that we have been going, we will be considering tariff measures for several days to come; and when we have considered them, we will not be proud of our action; the country will not be proud of the course which the Senate has taken.

I think that it will be necessary to consider agricultural relief measures. I think it is best for the agricultural interests to consider them separately from this bill. In that view of the subject I shall reluctantly withhold my support from the pending amendment.

Mr. NORRIS. Mr. President, I, of course, do not question the sincerity of the Senator from Arkansas [Mr. ROBINSON], and I freely concede his right to follow such course in this matter as he thinks best; but there are certain things that ought to be called to the attention of the Senate

and the country in connection with and, I think, in answer to the conclusions reached by the Senator from Arkansas.

I am aware of the force of his argument and the force of his leadership. I desire, however, to call attention to one or two of the things he said.

He said that those in charge of this legislation, if they permitted such things to go on and permitted things outside of a revenue bill to be put in this measure—tariff items and items such as the proposed and pending amendment—might be responsible even for a veto of the whole thing if they were all enacted into law, and that they would be responsible for other items of tariff schedules that would be offered as amendments to this bill.

I want the Senators to know that those who favor this debenture amendment are not responsible for the action of those who have had in charge this legislation. The chairman of the committee who sits before me, the Republican leader on this side who sat with him in the committee, and his associate who sits by his side when he is here, all voted for every one of these tariff amendments that have been proposed and put in this bill.

When the leaders of legislation, responsible for the legislation that comes from the committee, unite in voting for tariff items upon a bill that everybody admits ought to have no tariff items in it, are you going then to put the responsibility for the failure of this legislation upon the shoulders of those who are opposed to dragging tariff items in here? Are you going to put the responsibility upon us who are behind the motion now pending, and say that we are responsible, when we are coming in here in self-defense, when we are coming in here asking for this amendment in direct opposition to what we would like to ask for in this bill? Are we, who have fought the tariff amendments as they have been offered from time to time, and have been regularly defeated by the men who are behind this bill, responsible, as the Senator from Arkansas says, for this bill and this legislation?

We did not bring in this evil. It is not because of any action of ours that the Senate is in this dilemma and this illogical position. We fought it. We may be weak and lack ability when compared with the great leaders of the Finance Committee, but we did see this very predicament, and we pointed it out to the Senate and to the country. We were overridden by the so-called leaders responsible for this legislation. Now, when they have had their way, it seems to me it comes with poor grace for anybody to say to us, "Stop! Do not try to get relief for a large portion of our citizens, whose purchasing power for the very necessities of life has been, to a great extent, taken away by these very amendments."

The farmer, for whose benefit this amendment is proposed, is going to be compelled, on account of the leadership we have had here and the combinations we have had here, to pay more for his gasoline, more for his coal, more for his lumber, than he would have had to pay if the advice of those who are behind this amendment had been followed by our leaders. Our voices were unheeded, our advice was spurned, and you put these amendments into this bill, overburdening the great agricultural West with an additional cost of living, making it impossible for an already overburdened farming community to obtain the very necessities of life.

Do you suppose the men out on the great plains who will have to pay an additional price for coal are going to be satisfied when you place an embargo upon coal for the benefit of the coal men? They think just as much of their families and their firesides as do the men who produce the coal; and you are going to relieve one by adding to the burdens of the other. Do you expect the American people to be satisfied when you say to every farmer and every other person all over the great prairie West who wants to build a new house, a chicken coop, or a hogpen, and wants to do it at a time when he is toiling 16 hours a day to produce the food that we eat, that he will have to pay a higher price for his lumber? Does not he love his home? Does not he love his com-



munity? Is not he in the picture pointed out by the Senator from Washington [Mr. Jones] when he told of the misery and the suffering of those in the lumber regions?

It is just as great a burden for him to see his children go only half-clad, to see his family suffer from the cold chills of winter, if he lives in a house out in Kansas or Nebraska as it is for the man who sits under the shade of a fir tree in the State of Washington. He has the same instincts, the same love of family, the same responsibilities as the man in the lumber region. Yet you are going to try to relieve one by adding to the burdens of the other, piling upon his already overburdened shoulders responsibility that he can not bear, while those who have immense incomes that they can not spend, and inheritances that they are going to control a thousand years after they are dead have so much money that they do not know what to do with it?

That is justice in America, is it? That is the reason for saying to those who want to continue the purchasing power of the farmers of the West, "You must not offer this amendment to this bill."

Is there something sacred about these four things that must be protected by a tariff to add to the distress of the already overburdened and downtrodden farmers? It takes as much fuel to keep a farmer in the West warm as it does a millionaire sitting with his feet on top of his mahogany desk. It takes practically as much clothes to clothe him and his children; yet you are adding to the burdens of those who are already overburdened, and you say, "You must not offer this amendment to a revenue bill."

If you are a coal magnate, if you own a lumber mill, it is all right to do it then. If you own oil wells, it is all right; but if you want to do something for downtrodden agriculture, it is all wrong.

Go on with this combination, Mr. President. Drive on your steam roller. There will come a time when you yourselves will not be able to buy the fuel to keep it running. You can push it over the forms of farmers and laboring men, from whom you have taken away their purchasing power for the necessities of life, but eventually you will have nothing left of your own. Destroy agriculture and you have ruined our country. Add much more to the burdens of those who toil day and night, and then find a financial loss at the end of the season, and it will not be long before the man in the skyscraper, living in luxury, will realize that the foundation stone of all happiness and of all prosperity has been taken out from the building, and the entire edifice will come crumbling, falling down upon those who do not expect it now.

Nobody denies the justice of this amendment. In this debate there has been no voice that said it was not fair. No one has said it would not work, but, "You are not in the oil business. You are not in the coal business. You are not in the lumber business. Hence you must stand back and let us fix up this bill just to suit ourselves. You have no rights." You say to the magnates who are living in luxury, "You have these farmers down. You have your feet upon their throats, and we are going to see that you are allowed to keep them there." Then, in the political contest, you go to the farmer and you say, "Luxury and monopoly and trusts and combinations have their feet upon your neck. We will see to it that they go no further"; and that is the remedy that you offer to us!

That is the remedy which was promised us in the name of justice. You say to us now, "We promised in the campaign, in the words of Herbert Hoover, that if we were successful we would put the farmer upon an equality with the manufacturer; that we would give the farmer the benefit of the protective tariff." Here is your opportunity to make good your promise.

Are we going to be afraid because we are afraid of a presidential veto? This amendment, as a matter of fact, enables Herbert Hoover to carry out one of the pledges he made to American agriculture. He has not carried it out yet. This will give him an opportunity to do so. If he loses the opportunity and does not want to embrace it, it is for him to consider. I do not care to take up his duties or his

responsibilities now. The responsibility at this moment is upon us, and we can not shift it. Yet there is no doubt that there are quite a number of votes in this Chamber which are going to be cast against this amendment simply to carry out the wishes of the man in the White House. If he wants to kill this legislation, let him kill it like a man, openly and aboveboard, and not through the operation of the political machinery by which he pulls the strings upon his servants and his followers in the United States Senate.

Mr. President, the Senator from Arkansas said he wanted to consider this legislation in a separate bill. So do I. So have all of us. But we have always been blocked one way or the other by the political power and the political machine, and by the combinations of wealth and monopoly operating through those political elements.

This amendment was offered to the agricultural marketing act in practically the same form in which it appears here. It was agreed to in the Senate. It went to conference and was defeated in conference, mainly through the power and influence of the White House. It was said then, "This is not the place for this measure. It really belongs on a tariff bill." So it was defeated and thrown over the fence. But after a while the tariff bill came along, and we offered it again as an amendment to the tariff bill. It was said then, "It is not a tariff measure at all," just the reverse of what had been said before, "and has no business on a tariff bill." But a majority of the Senate said it did, and they put it in the tariff bill and in the exact terms in which it stands before us to-day.

We know what happened. We know the objection that was made by the President publicly, and undoubtedly in many and many a private conversation with Members of the House and Members of the Senate. We know the strings that were pulled; and again it went out.

Now comes this tax bill, the only opportunity we have had since to offer this measure, and we have had no desire to offer it as an amendment on this bill, because we have wanted to act in cooperation with the administration forces. We want to help as best we can to pass a revenue bill. But in that situation comes the chairman of the Finance Committee and the other leaders, administration followers, and put these four tariff items into the bill. They never could have gotten through any one of them, and everybody knows it, except by putting in the four. They made them sacred, and one is an enemy to his country if he dares suggest that there is any other product on earth that should be protected by a tariff in this bill except those four, selected by the leaders, and by those who were responsible for the particular bill now pending.

We have said from the very beginning that we wanted to cooperate, that we did not want to delay, that we wanted to make this a revenue bill. We tried our best to do it, but we are defeated by this combination, partially Democrats and partially Republicans, Democrats who ordinarily would claim to be low-tariff people voting for an embargo, Republicans over here in combination with them voting for tariffs which reach the very dome of heaven—embargoes—tariffs run wild and mad. They say, in effect, "We want to build a tariff wall around this country that can not be penetrated by anybody. We want to make it possible for combinations, monopolies, and trusts to form their illegal and their inhuman combinations this side of the tariff wall. So we put these four sacred items in this bill."

I understand, Mr. President, that these items have not only been placed in this bill, but, if the bill becomes law, they will be beyond the jurisdiction of the Tariff Commission. It will be impossible for us to go to the Tariff Commission and get a hearing upon them, as we ordinarily could as to any other tariff item, in order to reduce an exorbitant tariff. That will be impossible as to those items. These sacred four products will be placed above the control and the jurisdiction of the Tariff Commission itself. They will have to keep their unclean hands off these sacred items. They can not do anything to open up a discussion or a debate or an investigation in regard to these four items. They are sacred.



Then, in the sacredness of these four holy of holiest, comes the leader of the Democratic Party in the Senate and says, "Do not put this amendment on this bill. It should not be on this bill." He says that, although we have already put on four tariff items.

The combination seems to be so complete that we can not succeed in levying a tariff on anything else, we can not succeed in getting any relief from the additional burdens put upon the farmer by the inclusion of these four items.

I state, Mr. President, that those responsible for this action may be rejoicing in what they believe to be the victory that has come to them on account of this unholy combination; they may be riding in the car of success, running their steam roller over anybody and everybody who dares to raise his weak voice in defense of any of his suffering people. But I predict that history will repeat itself. There has never been a monarch upon his throne supreme, happy in the power that he wielded, but some day went so far that he drove his victorious car over the precipice into ruin and destruction. And there is where we are going, that is where our country is going if it permits itself to be run and managed by combinations, unholy and wicked combinations, in the highest of all legislative halls.

Let them go on with their machine and drive it over the prostrate forms of their fellow citizens, but there will come a time when the very stones of Rome will cry out against them, the very pavements in the streets will some day rise up and strike them in the face.

They can not continue this unjust discrimination against our fellow citizens, they can not continue permanently to hold down the farmers of America in subjection, in cruel human slavery, in economic depression. There will come a time when their Juggernaut will itself be capsized by the force of its own power.

Mr. TRAMMELL. Mr. President, representing in part a State which can not, in my judgment, get any assistance from the tariff provisions already written into the pending bill but, on the other hand, will be required to make a considerable contribution on account of the protection afforded the four industries which have so well been cared for—at least, an attempt has been made to care for them—I am strongly convinced that agriculture is deserving of a measure of relief in this bill.

While I am not responsible for the situation, a majority of the Senators have not hesitated to vote to impose tariffs in this measure which, if they operate as intended, these tariffs will cost the agricultural interests of this country millions upon millions of dollars. Yet, when a proposal is made here that the farmers shall in a measure be reimbursed for the contribution and the tribute which you intend to take from them in the interest of the oil people of the country, in the interest of the copper people of the country, in the interest of the coal people of the country, and in the interest of the lumber industry, some say, "Oh, we will wait until a more convenient day to do anything for agriculture."

I want to commend and thank the Senator from Nebraska [Mr. NORRIS] for bringing this question before the Senate. I think this is the proper time to make an adjustment and to let the agricultural interests of this country know that the Senate desires to do them justice, and that the Senate is not going to keep on passing over the matter of doing something for our farmers.

There is no class of people in America who are more stricken, and whose industry is more paralyzed, than that of the farmers of America. I am unable to see why those who were so zealous in behalf of the oil industry, so alert in behalf of the coal people of the country, and of the lumber and of the copper interests, should not have been equally as active before the committee in an effort to bring forth some measure of relief for agriculture at this time.

The hope was, on the part of many, at the time this bill was reported to the Senate, that Congress would adjourn within two and a half or three weeks. That was the intention, and the effort to drive the bill with undue haste through the Senate was largely actuated, I think, by a motive to have Congress adjourn in two and a half to three weeks. If

that hope could be accomplished, it is very apparent that no relief measure in the interest of the farmer will be passed. With this bill once out of the way we will see extra speed applied again. It will be said that we must rush, that we must dispose of this measure and that measure, and that we must have an adjournment of Congress so that certain Senators can go to the political conventions. The fate of agriculture will be that it will again be waved aside. I am opposed to any such policy of indifference toward our farmers. I think this is a good opportunity to do something for our agricultural interests, and I want to congratulate the Senator from Nebraska for seizing the opportune moment. He has always been the friend of agriculture, and never more so than in this instance. He knows the modus operandi and procedure that usually prevail here, and he, of course, feels, as I do, that if we do not take this occasion to act for the promotion of the interests of agriculture the chances are that nothing will be accomplished in this direction at this session of Congress. It is doubly appropriate to place the legislation on this bill because the majority of the Senate have already dealt with the agricultural interests in making an imposition of taxation in the way of import duties or tariffs in this identical measure. The farmers have been made the victims of burdens imposed.

I do not favor taking away from the farmer millions and millions of dollars, if the plans operate as it is intended they shall operate, and then make no adjustment with him or for him. In all justice he is entitled to some contribution in return for that which it is expected to take away from him in the interest of oil, coal, copper, and lumber. Of course, everyone knows that it is the intention to get an increase in the prices of all such products. Some of them may deserve an increase, but when it is taken away from the farmer of the country, then the appropriate time has come to legislate and make an adjustment for him in this particular measure.

So far as the question of revenue is concerned, I do not believe anybody is going to be fooled or deceived with the idea that revenue for the Government was the prime and moving cause for the tariff provisions being placed in the pending measure. The inspiring and moving cause was to try to do something for these special and favored interests.

Mr. NORRIS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Nebraska?

Mr. TRAMMELL. Certainly.

Mr. NORRIS. The Senator has correctly said what the object was, but the result is going to be that with these items in the bill, with the terrible tariff that is put upon them amounting in practically every case to an embargo, there will be less revenue under the rates put into the bill than there would be if they had been left out of the bill.

Mr. TRAMMELL. In all probability that is true. Of course, I think the object was merely to do something for the particular interests involved regardless of the cost to the remainder of the people. The question of balancing the Budget had nothing to do with it, nothing whatever. It was just a question of responding to the demands of the oil interests, the coal interests, the copper and lumber interests of the country, regardless of the cost to the people of the United States.

The majority wrote the tariff provisions into the bill which, if they operate as it is contemplated or hoped they will, while they are not going to raise any great increase in revenue are going to inflict an enormous additional burden upon the people of the country. Agriculture is one of the great interests of the country that will be affected. I repeat some adjustment, some atonement should be made to the farmer for what is imposed upon him in the very provisions of the bill.

Mr. NORRIS. Mr. President, will the Senator yield further?

Mr. TRAMMELL. Certainly.

Mr. NORRIS. When I referred to less revenue I was thinking of the amendments offered by the Senator from Maryland [Mr. TYDINGS] on aluminum. In my judgment,



there will be no revenue from the tariffs levied on the articles in question, because they will be an embargo. When I spoke of less revenue under existing conditions I was thinking of the amendments relating to aluminum that were offered by the Senator from Maryland.

Mr. TRAMMELL. I thank the Senator.

Representing, as I do, a State which will not enjoy any of the beneficent benefits contemplated in behalf of copper and coal, gasoline and lubricating oil, a State that is going to be only an unwilling contributor on account of these impositions, I wish to say in behalf of that State that I desire to have some of the contribution my people will be forced to make because of these high tariffs, contributed to agriculture.

Mr. LONG. Mr. President, I was hoping that some of us who are going to vote for the debenture would not have to admit that we had been caught with the wool in our teeth and were voting for it for that reason; in other words, that we had been taken in completely. If that is the case, it would seem to us, those of us who have stood by the tariff items, that we are petitioned now to take somebody else into the combination, that we have been caught with the swag and somebody else is demanding his share. Are we being censured for the vote we cast on the tariff items and now being petitioned to divide the moneybag with some one? That would seem to be the only explanation of some of the statements that have been made. But such is not the fact.

Mr. TRAMMELL. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Florida?

Mr. LONG. I yield.

Mr. TRAMMELL. I did not mean it in that way. I meant that if those who had favored the tariff items wanted to make a proper adjustment, it would be very appropriate to have the amendment placed on this bill.

Mr. LONG. I think so.

Mr. TRAMMELL. Because the tariff items are intended to raise some revenue and they are certainly contemplated to assist in promoting and advancing the interests of the particular industries to which the tariffs apply.

Mr. LONG. I think so, from that standpoint, and I am going to vote for the debenture. However, I did not want one or two statements to go unchallenged, particularly the ones which were made about oil. When the oil matter first came up I made an effort to speak on the floor of the Senate on March 21, and I want to quote a short paragraph from the debate which took place at that time. The Senator from Arkansas [Mr. ROBINSON] addressed the Chair and I yielded to him, and he then said:

A few moments ago the Senator from Louisiana referred to the tax on crude oil, and I think justified such a provision.

That was long ago, on the 21st day of March, when on the floor of the Senate the leader of our Democratic Party made that statement, and I deferred to him then. He said further:

He also attacked the House for failure to incorporate a provision on the subject while seeking to impose a general sales tax. I know the Senator desires to be accurate in his statement, and I wondered if the Senator's attention had been called to pages 228 and 229 of the bill which is now before the body at the other end of the Capitol, the bill to provide revenue, etc., in which, on page 228, there is provision for a tax, as follows.

And the Senator from Arkansas then, as the Senator from Utah [Mr. SMOOT] will remember and as the Senator from California [Mr. SHORTRIDGE] will remember, agreed to the proposition, as the RECORD shows, from which I am reading at page 6542. The statement of those who are undertaking to say that my friend from Kentucky [Mr. BARKLEY] has departed from any Democratic policy in this matter are sailing right into the face of the record that is here in black and white, that the matter was understood as coming from our Democratic House and was justified on the Democratic side of the Senate.

Mr. SMOOT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Utah?

Mr. LONG. Certainly.

Mr. SMOOT. Senators must know that the House imposed a duty upon crude oil and petroleum. They must know that the House imposed a duty of 10 cents a hundred on coal. The Senate did not enter into those two fields. The House itself did.

Mr. LONG. The facts are it was not any deception, that the two Houses understood it as concurred in the debate right on the floor of the Senate, that this was not anything that anybody was being slipped up on, because I have here in my hand what I have read from the CONGRESSIONAL RECORD showing that the leader on this side of the Chamber read to me those provisions and made the statement that the Senator from Louisiana had spoken of a tariff on oil and had justified the tariff on oil, and I feel that it is justified. So why have any more argument over this thing that ought to have been passed into history? The only difference is that we voted one-half cent when the item was reduced from 1 cent.

I want to correct the Senator from Florida [Mr. TRAMMELL] for one other remark, because the Senator from Florida is very accurate in his statements, as a usual rule, and means to be accurate in this instance. We can not decrease the revenues from oil because to-day we have no tariff on oil. This is not an increase in the tariff on oil. We have no tariff on oil at all. Maybe there is a tariff on Florida fruit too high. I think myself the Senator has one or two of them. Most of them are too low. Maybe he has a tariff on tomatoes too high. Maybe it ought to be lowered. Maybe they are too low and ought to be increased. Maybe there is a tariff on wool in Massachusetts that is too high. Maybe it ought to be lower.

But the Senator certainly ought not to say to the people of Oklahoma, Texas, Louisiana, and Kentucky, where we have no tariff whatever, that we should be left here with no tariff whatever on any of these products. When the Senator says it will not produce any more revenue than it is producing now, certainly he is reckoning without his host, because if we are not getting a dime of revenue from it now, certainly 21 cents a barrel is going to be 21 cents a barrel more than we are getting now if we import a barrel of crude oil. If we do not import more than one barrel, we will get 21 more cents than we are now getting on such product.

Mr. SMOOT. And if there is not a barrel imported, nobody is hurt.

Mr. LONG. That is just the point. There is nobody hurt.

I want to say one thing further. We are fencing ourselves into a very peculiar situation in continuing the argument. I know the Senator from Nebraska [Mr. NORRIS] is a friend of labor and so is the Senator from Florida [Mr. TRAMMELL]. I believe I am a friend of labor. But this is the only tariff, gentlemen of the Senate, that has ever been asked for by the laboring men of America. You stood here and put every tariff on the backs of the people of the country that had been protested by the American laboring man, but this is the only tariff that has ever been voted by the United States Senate for which there was a demand and a request from the American Federation of Labor and the four railroad brotherhoods of the country. All the howl that has been raised at this time has been against the only tariff that has ever been demanded by the laboring people and by the farmers' unions of the country.

Why should we have this howl and this clap-trap when these people were not objecting to the other tariff items? The only objection in this long-continued protest that refused to yield is against the only tariff that has ever been voted on a product that had no tariff at all and is requested by the laboring and farming people of the country. It is the only one that has ever been requested by them, one that was introduced in the Democratic House and with the silent understanding if not open approval of the Democratic side in the Senate. I see no reason why we should keep on rehearsing that proposition in the Senate.

Now, as to the debenture, I do not think we are being treated exactly right. I am voting for the debenture. Many others of us want the debenture. I think, however,



the case is weakened when we are placed under an attack for doing what was requested and what ought to have been done in the Senate. You are certainly not giving us very much grace to be with you in this kind of a proposition when it is put upon the basis that we did some things that ought not to have been done and now we should do something else as a result of having done something we ought not to have done. I do not believe the case is strengthened in that particular.

Mr. GLENN. Mr. President, in reference to my position upon the pending revenue measure I desire to say that I took the same attitude as that of the Senator from Nebraska relative to the incorporation in it of tariff items, believing that this should be a revenue measure rather than a tariff measure. So in voting upon the pending amendment my vote will not be because I am hostile to agricultural relief. Few States have greater agricultural interests than has Illinois, and I presume that none of the States are suffering more grievously than is Illinois. Having voted in an endeavor to keep the revenue measure as a revenue measure and having been defeated upon that, we now have a revenue measure and a partial tariff measure. I intend to be consistent.

The bill being bad now, in my judgment, because it is both a revenue measure and a partial tariff measure, I do not intend to make it a revenue measure, a tariff measure, and a farm-relief measure. I can not see that that would be helpful in the present vital situation. We have already had prohibition considered, and I fear that if we adopt the pending proposal we shall have a revenue measure, a partial tariff measure, a farm-relief measure, and before long a World Court measure and a League of Nations measure, and I do not know but what the birth-control measure will be added to it. So I intend to vote against the pending amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from North Dakota [Mr. FRAZIER] to the amendment of the Senator from Nebraska [Mr. NORRIS].

Mr. FRAZIER. Mr. President, I ask for the yeas and nays.

Mr. CONNALLY. Mr. President, I desire to take a moment of the Senate's time to say that I intend to vote for the pending amendment. The Senate on two prior occasions adopted a similar amendment, which was defeated because of the stubbornness of the House of Representatives, influenced by the administration. In my view, this is the most important and most practical farm-relief measure that has as yet been proposed. I do not agree to the view that we will unnecessarily delay matters by adopting this amendment at the present time. As soon as this bill shall be out of the way, we shall have before the Senate measures called "relief measures" designed to give relief to industry, to banks, and to the railroads. I think it is just as important that we spend a little of our time endeavoring to rehabilitate the great wheat, cotton, and other agricultural pursuits of the Nation as to relieve the great organized industries. I therefore intend to vote for the amendment.

SEVERAL SENATORS. Vote! Vote!

Mr. THOMAS of Idaho. Mr. President, I should like to have the attention of the chairman of the Committee on Agriculture and Forestry for just a moment. That committee has recently voted to report out a bill which embodies the equalization fee, the debenture provision, and the allotment plan, all of which are indorsed by the great farm organizations of America. It had been my intention to support that bill as a rider to the revenue bill. The Senator from Nebraska, however, is anxious to have a vote upon the debenture alone, and I am wondering if that amendment shall be defeated, or whether it is defeated or not, if we are going to have an opportunity to vote at this session of Congress upon the farm relief bill agreed to by the farm leaders? I should like to have the opinion of the chairman of the Committee on Agriculture and Forestry upon that question.

Mr. McNARY. Mr. President, it is true that the major farm organizations, after many years of disagreement, have

come to an agreement with respect to a plan, as an amendment to the marketing act, which pools the three ideas, one of which is the debenture plan, another the so-called allotment plan, and the third the equalization-fee plan. The agreement reached by the farm leaders was expressed at a meeting of the Committee on Agriculture and Forestry some time in April. Last Friday the committee met in executive session and unanimously voted to report the bill. The chairman of the committee was authorized to make the report. The report will be finished to-morrow. We have had so very much to do here on the floor of the Senate and elsewhere that since last Friday I have not had an opportunity to place the report in form. I can, however, assure the Senator from Idaho and other Senators that the report on the bill, embodying these three proposals as amendments to the agricultural marketing act, will be filed to-morrow in the Senate. The bill will then go to the calendar, and as chairman of the committee it is my purpose before the end of the present session to ask that a vote be had upon the bill, which embodies the plans, the purposes, and the ambitions of the three major agricultural organizations of the country.

Mr. THOMAS of Idaho. I thank the Senator from Oregon.

Mr. HOWELL. Mr. President, I take the liberty of asking the chairman of the Committee on Agriculture and Forestry when he thinks the Senate will consider the farm relief bill?

Mr. McNARY. Mr. President, my judgment is not any better than and probably not equal to that of the distinguished Senator from Nebraska. It is my hope, expressed on many occasions, that we may conclude our work here by the 11th day of June. I have dedicated what little efforts I have been able to make to that end, and between now and the 11th of June I think I shall find ample opportunity—and I shall seek the opportunity—to bring the measure before the Senate.

Mr. HOWELL. Mr. President, I thank the distinguished Senator from Oregon. I wish to call the attention of the Senate to the fact, however, that there is just a week left of this month, and then we will be in June. I also call the attention of the Senate to the fact that if we are to aid the farmer this year we must act promptly. If the amendment embodying the debenture feature shall be adopted, it will be possible to give the farmer the benefit of the debenture upon this year's crops.

What the farmer needs is immediate help. He needs it far more than does the copper industry; he needs it far more than does the oil industry; he needs it far more than does the coal industry or the lumber industry, because all these industries have enjoyed a marked degree of prosperity during the most of the past 10 years, while the farmer has been in the trough of depression during that entire period.

The prospect now is that if we do not act immediately in behalf of agriculture that there can be no hope for agriculture until another year. The farmer's crops are annual; they must be provided for in advance. A measure of this kind going into effect after, for instance, wheat is out of the way, or partially harvested, and in the hands of the middlemen, would prove a failure. The question before the Senate is: Do we intend to do anything for the farmer? If we do—there will be no alibi—we must act now.

It is possible under this amendment to give the farmer a subsidy of about \$114,000,000 this year. If the Senate does not want to do that, the Senate will, in effect, say it has not the will to act.

I can not imagine the President vetoing this tax bill because this amendment is attached to it when the amendment places the discretion in the Farm Board as to whether the provisions of the amendment shall be applied or not. Even though the President should sign a bill including this amendment, he still would be in a position to prevent its application if he should see fit to do so. We ought not to intimate to the farmer that we sympathize with him, that we desire to do for him, and at the same time negate our words by refusing to act now when there is an opportunity to serve him.



Mr. GLASS. Mr. President, I was one of those who voted for the debenture when it properly came before this body, and I have a very great desire and inclination to vote for it now, but I do not think it has any place upon a revenue bill. It is not a measure to raise revenue; it is a measure to take revenue out of the Public Treasury and hand it over to a worthy class. I voted for it before, notwithstanding my avowed opinion that it was uneconomic and a species of privilege, but I took the view that the American farmer was the unhappy victim of an uneconomic tariff system and that the debenture would afford him the only assurance of a measurable return in compensation for the tribute he was compelled by the tariff system to pay to the manufacturers of the country.

I have resisted every appeal made to me from my own State to put onto this revenue bill tariff protection for Virginia industries. Within the hour I have been called out of the Senate Chamber and appealed to to support certain proposed tariff riders to this bill in which industries in my State are vitally interested, but I have resisted all such appeals with the statement that they have no place upon this revenue bill.

I have no reproach for any Member of either House of Congress who stands in his place when we are considering tariff proposals and maintains in equity and in sound theory the right of his State and of the industries of his State to be accorded equal consideration to that accorded the industries of other States. That, however, is not the case here, and I do not propose by my vote to contribute to the political tragedy that was enacted in this Chamber last week. Therefore, with much regret, I shall be compelled to change my attitude on the debenture, and to vote against the proposal to embody it in the pending revenue measure.

Mr. TYDINGS. Mr. President, I shall be very brief in what I am about to say; but I have been sitting here to-day, taking no part in the debate, listening to this tariff argument, and if I have heard anything to-day about raising revenue I have heard it in the cloakrooms and in the corridors, and not on the floor of the Senate.

A great deal has been said about the responsibility for putting these tariff measures in this revenue bill. Some have claimed that the House is responsible, some have claimed that the Senate is responsible, and some have claimed that everybody is responsible. It strikes me that the real responsibility for having these tariff items voted in the bill at this time is partly ours and partly that of the House; but in this period of great national emergency the real responsibility is with the White House, for the following reasons:

Everyone knows that the chairman of the Finance Committee, the senior Senator from Utah [Mr. SMOOT], would be delighted to drop these tariff measures if the White House would so much as indicate that it was inadvisable to have them in this bill at this time. Everybody knows that the senior Senator from Pennsylvania [Mr. REED] would be glad to goose-step if Mr. Hoover were to request him so to do. But, Mr. President, let me point out that four or five days ago Senators on the other side of the aisle sent word to the White House that it was inadvisable to incorporate these tariff items in this revenue bill at this time, and the President even went so far as to write out a statement urging that the tariff items be taken out of the revenue bill; but did he send that statement? Oh, no! Before the statement could leave the White House other Senators had heard of it, and they went down and told the President that they wanted these items in the bill, and pictured the situation, saying that it would be inadvisable to take these items out of the bill now; that it would ruin their chances of reelection, forsooth, if these things were extracted from this precious revenue measure; and the President, with the usual courage and forthrightness which has characterized his efforts from the beginning to the end, said, "Well, then, I will do nothing whatsoever about it."

Mr. SMOOT. Mr. President, the Senator has referred to me in relation to these items. I desire to say that the

President of the United States has never said a word to me about the items.

Mr. TYDINGS. No; but if he did say a word to the Senator from Utah, he would jump through a hoop in a minute, and the Senator knows it.

Mr. SMOOT. The Senator from Utah does not know any such thing. I have never yet had a President of the United States dictate to me how I should vote; and if any President of the United States should try to do so, and I was opposed to it, I would plainly tell him so. There is no doubt about that.

Mr. TYDINGS. Yes; I realize that. Why, if the President of the United States, with his press clippings on his desk every day for him to peruse, knowing that these items were being considered, knowing that they would bring on a tariff debate, knowing that the country wanted this bill passed, had sent word down to the Senator from Utah that he wanted these items taken out of the bill, that he insisted upon it, I know that the Senator is too good a party man not to have gone along with the presidential request; and every other Member of this body knows it.

Mr. SMOOT. Mr. President, I do not want the Senator from Maryland to announce what I would do.

Mr. TYDINGS. I am not reflecting on the Senator from Utah. I am commending him for his party loyalty because I realize that protection has to come ahead of revenue, and that has been the Senator's stand from beginning to end.

Mr. SMOOT. There is no question in my mind but that the Senator from Maryland knows very well that I am a protectionist. I have been all my life so far. I expect to be as long as I live, as long as the American standard of living is as it is, and the standards of living in foreign countries are as they are.

Mr. TYDINGS. Yes; the standard of living in America to-day is 10,000,000 people living on charity. If that is any standard to hold up with pride, the Senator is entitled to all the credit he can get out of it.

I rose to say, however, that the responsibility for this measure is with the White House. The President is the leader of the whole Nation—not a Democrat, not a Republican, but in control of this country's interests—and if he were the kind of President that he ought to be, he would send word down here to take these controversial matters out of this revenue bill and send it on its way. But he is silent, because, forsooth, he first writes a message, and then he withdraws his message; he talks to two Senators and says this, and he talks to two more Senators and says that. That is the type of leadership we have in this country! My God, save the Republic!

Mr. SMOOT. Mr. President, I have no objection to the Senator expressing any opinion of the President that he desires and so forcefully expresses. I can not agree with him.

Mr. TYDINGS. The President could send a message to this Congress. He could tell the ex-service men not to come here in the hour of their country's need and ask for an additional gift from the Treasury. Nobody criticized him for that; but he could not tell these four large interests that have come here to take \$486,000,000 a year out of the consumers' pockets to lay off in the hour of our country's need, and stand aside, and let their commodities come up with all other commodities.

Mr. SMOOT. Mr. President, I only get about halfway through a statement, and the Senator then speaks louder than I can, and I am unable to finish.

Mr. TYDINGS. I can not hear the Senator, and I try to speak loud enough so that at least he can hear me.

Mr. SMOOT. There is no doubt but that the Senator from Maryland can be heard outside of the Chamber.

Mr. TYDINGS. Ah, Mr. President, the Senator from Utah must stand shoulder to shoulder under this responsibility.

Mr. SMOOT. I am not trying to shirk responsibility.

Mr. TYDINGS. That is what I wanted to hear the Senator say. I wanted to hear the Republican chairman of the Finance Committee, the majority chairman, say, "I am



responsible for inserting these tariff measures in this revenue bill."

Mr. SMOOT. But I am not responsible for that.

Mr. TYDINGS. The Senator has just said that he was.

Mr. SMOOT. No; I said—

Mr. TYDINGS. The Senator just said that he was responsible.

Mr. SMOOT. I said that I would take the responsibility for my vote and for my action.

Mr. TYDINGS. I refuse to yield, Mr. President. The Senator just said he was responsible, and he voted to put them in the bill; and he stands under that responsibility more than any other man because, forsooth, he is the chairman of the committee; and if he had voted against them, no one of those items would have been in the bill. Every member of the Senator's party voted to put them in except the Senator from Wisconsin [Mr. LA FOLLETTE]. Let the Senator take his blame along with his credit, and not take his credit without his blame. In the hour of the country's peril, when the Budget should have been balanced, when everybody should have sacrificed every sectional interest, he did not mind saying, "That goes for everybody in the country except the oil interest and the copper interest and the lumber interest and the coal interest. You gentlemen come up. You sit at the speakers' table. You eat off the painted china plates, but we will let the rest of America eat off the wooden sandwich plates. We want copper and coal and lumber and oil to have special treatment."

The Senator knows that if the President were to say to him this night, "Senator Smoot, I ask you for the country's welfare to take these controversial matters out of this bill and pass a revenue bill, not a tariff bill," the Senator would be patriotic enough and party man enough to respond to the slightest invitation of that kind from the President. But has the President said anything? He can talk at other times. He can drive the ex-service men from the Capitol; but if he scorned the lobby which wrote these measures into this bill, why does he not scorn the results of the lobby's work? What good does it do to scorn the lobby by generalities, and approve by silence the results of the lobby's work?

We never had a more equivocation, more evasion, and less courage from any President in my lifetime than under the existing administration. I repeat now the question which I have asked for four years: Is there any man beneath God's sun who can tell me where Herbert Hoover stands on the prohibition question? If so, let him stand up and tell me. Is there anyone?

You do not mean to tell me that the leader of this country, with everybody under the sun having an opinion upon this question, has no opinion. What can you think of a man who will let two of his Cabinet officers go all over the country indicating that he is going to be for a change in prohibition later on, and have a member of his semiofficial family, a member of this Government, say he is not going to be for any change, and be put in that equivocal position?

I am sick of this hypocrisy, sick of this sham, sick of the politics, sick of the evasion, sick of the equivocation, sick of the lack of courage, while all the country is suffering in a quagmire of misery, in a slough of despond, in a bog of hopelessness; and all we get is silence. When the whole Nation asks that this tax bill be passed, that the Budget be balanced, that enough money be brought into the Treasury to pay the Government's debts, the leader of the Nation is content to sit up in his swivel chair and let his own party jam tariffs into this bill, which are pure protective measures, embargoes, and nothing else.

Mr. LEWIS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Illinois?

Mr. TYDINGS. I yield.

Mr. LEWIS. May I answer something, perchance by way of consoling the situation?

The eminent Senator from Maryland addresses an interrogatory as to why members of the President's Cabinet go

out and indicate that the President is now for changing prohibition, and will occupy a position against it. I will answer the Senator that it seems, that being so, that the President is showing a rare sagacity in providing very early to liquidate a frozen political asset. [Laughter.]

Mr. TYDINGS. Some one may say, "The speech of the Senator from Maryland is cheap. It is partisan. It is Democratic. It is not patriotic."

Let me point out, Mr. President, that there has not been one measure which your leader has asked to have passed in this body which has not had my support. I voted for his moratorium, not because I thought it wise but I thought we were in a period of great emergency, and if he considered the emergency severe enough to ask for my detached approval I would give it to him for a year. I have supported them all; and all I have seen and all I have had to support is a lot of opiates shot into the arm of a sick man who is crying out for medicine which will cure.

The Reconstruction Finance Corporation bill, the Glass-Steagall banking bill, the other propositions that have been offered, none of them go to the heart of the matter. They are all things to check the toboggan going down hill. There is no courage, no real solution; and when the senior Senator from Arkansas [Mr. ROBINSON] stood up on the floor the other day and advocated some relief measures, he was called to the White House, because it looked as though the Democrats might have a good plan which Mr. Hoover had better grab first. Then the plan was embraced; it became the Robinson-Hoover plan; and two days after that Mr. Hoover repudiated the plan that he embraced, and said he was not for that sort of a plan.

The President can berate Congress all he wants to. I have been silent these many months under the urge to say what I have said this afternoon. I defy anybody in this Republic to tell me where the President stands on four or five of the largest questions now before the people. If you have that type of leadership in the White House, what do you expect of a Congress that is supposed to follow, at least in some measure, presidential recommendations whenever those recommendations come down here?

I remember all too well the campaign of four years ago. We were told, "Put the great engineer in the White House, and the farm problem will be solved." What a lurid chapter of this country's history the solution of the farm problem has been. Five hundred million dollars poured down a rat hole; agriculture more prostrate than it ever has been; the White House bankrupt of any solution; and Senators on both sides of the aisle advocating the abolition of the board which was created in such a burst of enthusiasm and patriotism.

What is the President's farm plan now? Balancing the Budget will cure this, balancing the Budget will cure the loss of our world trade, balancing the Budget will cure the prohibition imbroglio.

What I rose particularly to say was that when a man is caught with the goods in his hands, the fact that he may have an accomplice does not excuse him, and while that illustration is rather crude, I say to the senior Senator from Utah that he is caught with the vote to put these tariff items in the bill, and with one exception every member of his party on the Finance Committee voted to put them in the bill. Without the vote of every one of that party, except the senior Senator from Wisconsin [Mr. LA FOLLETTE], they would not be in the bill. More than that, if the President of the United States should ask the Senator from Utah to take them out of the bill as being improper in a revenue measure, or for any other reason, I know the Senator better than he knows himself if he says he would not be the first to try to get them out of the bill.

The soldier should not come here and ask for any special "hand-out." It is not patriotic. The Senator from Utah said so, and the Senator from Pennsylvania said so. But it is patriotic for these 20 large oil companies to come here and take \$486,000,000 a year out of the consumers' pockets. We do not hear any protest against that, do we?



There must not be any debenture in this bill. It ought to be in a separate bill. It is all right to put a protective tariff measure in a revenue raising bill, but we should not put a farm measure in a revenue raising bill because the farmers have no place here now. The places are reserved. All the seats are purchased for the 20 large oil companies who are to get a tribute of \$486,000,000 out of the pockets of the American public. It is not to go into the Treasury; ah, no. The Senator from Utah, over his own signature, said the tax would raise only \$5,000,000 in the way of revenue; but the \$486,000,000 will go into the pockets of the large oil companies of this country.

"You farmers have no right here whatsoever. This is not the place for you to have your day in court. We are going to give you that 18 months from now when the remaining few of you who have a few dollars left will have likewise gone into bankruptcy, and therefore that question will solve itself."

We all know what is going to happen at the convention of the majority party which is soon to be held. We are going to have a referendum on the liquor question. The men who wield the lead pencils are drawing the plank up now for that, and how to word that referendum so as to hold all of the "wets" and all the "drys" possible presents a very serious problem. Every comma is measured, every word is gone over repeatedly, phrases are interchanged, present-tense verbs become past-tense verbs if it will make it a little easier. The idea is to be both wet and dry, to be all things to all people, and therefore to fool both sides again.

Mr. GLENN. Mr. President, can the Senator give us any authoritative statement as to what the Democratic plank will be on that question?

Mr. TYDINGS. Yes; I can. The Democratic candidate will not rely on platform vagueness. He will state on the stump that he is opposed to prohibition, and favors the return of the control of that question to the States, where the people know best how to solve the problem.

Mr. GLENN. I asked about the plank. What is the plank going to be?

Mr. TYDINGS. It will be that in effect. What will the Republican plank be? Now, that I have been good enough to answer the Senator's question, will he be good enough to answer mine, and tell me what the Republican plank will be?

Mr. GLENN. I do not know what the plank of either party on that question will be.

Mr. TYDINGS. At least I know a little about my own party's platform, and I believe I know a great deal more than the Senator from Illinois knows about his party's platform, because by the "grape vine" I am advised that we are agreed on a referendum or revision. They have thrown out the word "revision," because they used that in connection with the Smoot-Hawley Tariff Act, and that has brought so much suffering on the country that the word "referendum" is to be substituted, I understand, for "revision" of the eighteenth amendment.

What a pity it is. In a few days we are to vote to impose a new burden on the American people of a billion two hundred million dollars in annual taxes, a sum of money equivalent to \$10 for every man, woman, and child in the country, or \$40 a family a year. Yet our great leader of the Nation, who tells the Congress when it is bad just what it ought to do, who is the strong man who stands out in this period of equivocation, who knows the answer to this question but will not tell it to anybody because, forsooth, it might be criticized—he has no remedy at all. Yet, knowing this tremendous financial burden is coming down upon the backs and shoulders of the American people, he waits until Congress has practically adjourned to put into motion the machinery which would immediately afford the Government \$500,000,000 annually and make just that much less of this tax necessary.

I have already spoken longer than I had intended to. I just want to say this, that I lay the responsibility upon the doorstep of the President, because he has remained silent in the face of the fact that his whole party, as represented

on the Finance Committee, with the exception of the senior Senator from Wisconsin [Mr. LA FOLLETTE], on all of the votes, and one or two other Senators, perhaps, on some individual votes, voted to put these tariff items in the bill, and this whole week of debate could have been saved if he had not first written his message and then decided not to write it, and conferred with two Senators who were against the tariff first, and then two who were for it and decided he would not do anything and let a whole week of time go by because he might antagonize some of the elements on the other side of the aisle.

The VICE PRESIDENT. The question is on the amendment of the Senator from North Dakota [Mr. FRAZIER] to the amendment of the Senator from Nebraska [Mr. NORRIS], the amendment to the amendment being on page 4 of the amendment, line 5, to strike out "one-half" before the words "rate of duty," so as to make the debenture rate on any agricultural commodity the rate of duty in effect at such time; and in line 8, before the words "cents," to strike out "2" and insert "4," so as to read, "the cotton debenture rate thereon shall be 4 cents per pound."

The yeas and nays have been requested. Is there a second?

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BYRNES (when his name was called). I have a general pair with the junior Senator from Vermont [Mr. AUSTIN]. Not knowing how he would vote upon this question, in his absence I withhold my vote.

Mr. HASTINGS (when his name was called). On this question I have a pair with the senior Senator from Alabama [Mr. BLACK]. In his absence I withhold my vote. If permitted to vote, I would vote "nay."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. I do not know how he would vote if present and voting. If I were at liberty to vote, I would vote "nay."

Mr. LEWIS (when his name was called). I am paired with the senior Senator from Florida [Mr. FLETCHER]. I do not know what his position would be on this amendment to the amendment. Were I privileged to vote, I would vote "nay."

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. McKELLAR], who is detained from the Senate on account of illness. I transfer that pair to the senior Senator from Colorado [Mr. WATERMAN] and vote "nay."

Mr. TYDINGS (when his name was called). On this vote I have a general pair with the senior Senator from Rhode Island [Mr. METCALF], who is ill. I understand that if he were present he would vote as I shall vote on this amendment, and therefore I am at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. CUTTING. I have a pair for the evening with the junior Senator from Mississippi [Mr. STEPHENS]. Not knowing how he would vote, I withhold my vote.

Mr. FESS. I wish to announce the special pair of the junior Senator from Indiana [Mr. ROBINSON] with the junior Senator from Arkansas [Mrs. CARAWAY].

The result was announced—yeas 16, nays 64, as follows:

YEAS—16			
Blaine	Frazier	Norbeck	Shipstead
Brookhart	Hawes	Nye	Thomas, Idaho
Bulow	Howell	Schall	Thomas, Okla.
Costigan	Long	Sheppard	Wheeler
NAYS—64			
Ashurst	Connally	Gore	Logan
Bailey	Coolidge	Hale	McGill
Bankhead	Copeland	Harrison	McNary
Barbour	Couzens	Hatfield	Moses
Barkley	Dale	Hayden	Neely
Bingham	Davis	Hebert	Norris
Borah	Dickinson	Hull	Oddie
Bratton	Dill	Johnson	Patterson
Broussard	Fess	Kean	Pittman
Bulkeley	George	Kendrick	Reed
Capper	Glass	Keyes	Robinson, Ark.
Carey	Glenn	King	Shortridge
Cohen	Goldsborough	La Follette	Smith



Smoot  
Steiwer  
Townsend

Trammell  
Tydings  
Vandenberg

Wagner  
Walcott  
Walsh, Mass.

Walsh, Mont.  
Watson  
White

## NOT VOTING—16

Austin  
Black  
Byrnes  
Caraway

Cutting  
Fletcher  
Hastings  
Jones

Lewis  
McKellar  
Metcalf  
Morrison

Robinson, Ind.  
Stephens  
Swanson  
Waterman

So, Mr. FRAZIER's amendment to the amendment proposed by Mr. NORRIS was rejected.

The VICE PRESIDENT. The question now is on the amendment of the Senator from Nebraska.

Mr. NORRIS. Let us have the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BYRNES (when his name was called). I have a general pair with the junior Senator from Vermont [Mr. AUSTIN]. If he were present, he would vote "nay." If permitted to vote, I would vote "yea."

Mr. CUTTING (when his name was called). I have a pair with the junior Senator from Mississippi [Mr. STEPHENS]. If the junior Senator from Mississippi were present, he would vote "nay." If I were permitted to vote, I would vote "yea."

Mr. HASTINGS (when his name was called). Making the same announcement regarding my pair as on the last roll call, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. JONES (when his name was called). I again announce my pair with the Senator from Virginia [Mr. SWANSON]. If at liberty to vote, I should vote "nay."

Mr. LEWIS (when his name was called). I again announce my pair with the senior Senator from Florida [Mr. FLETCHER].

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. McKELLAR]. I transfer that pair to the senior Senator from Colorado [Mr. WATERMAN] and vote "nay."

Mr. TYDINGS (when his name was called). On this vote I have a pair with the senior Senator from Rhode Island [Mr. METCALF], who is ill. In his absence I withhold my vote.

The roll call was concluded.

Mr. FESS. I wish to announce the special pair of the Senator from Indiana [Mr. ROBINSON] with the Senator from Arkansas [Mrs. CARAWAY].

The result was announced—yeas 33, nays 46, as follows:

## YEAS—33

Barkley  
Blaine  
Borah  
Bratton  
Brookhart  
Broussard  
Bulow  
Cohen  
Connally

Costigan  
Dill  
Frazier  
George  
Hawes  
Howell  
Hull  
La Follette  
Logan

Long  
McGill  
Neely  
Norbeck  
Norris  
Nye  
Schall  
Sheppard  
Shipstead

Smith  
Thomas, Idaho  
Thomas, Okla.  
Trammell  
Walsh, Mont.  
Wheeler

## NAYS—46

Ashurst  
Bailey  
Bankhead  
Barbour  
Bingham  
Bulkley  
Capper  
Carey  
Coolidge  
Copeland  
Coutzens  
Dale

Davis  
Dickinson  
Fess  
Glass  
Glenn  
Goldsborough  
Gore  
Hale  
Harrison  
Hatfield  
Hayden  
Hebert

Johnson  
Kean  
Kendrick  
Keyes  
King  
McNary  
Moses  
Oddie  
Patterson  
Pittman  
Reed  
Robinson, Ark.

Shortridge  
Smoot  
Steiwer  
Townsend  
Vandenberg  
Wagner  
Walcott  
Walsh, Mass.  
Watson  
White

## NOT VOTING—17

Austin  
Black  
Byrnes  
Caraway  
Cutting

Fletcher  
Hastings  
Jones  
Lewis  
McKellar

Metcalf  
Morrison  
Robinson, Ind.  
Stephens  
Swanson

Tydings  
Waterman

So the amendment proposed by Mr. NORRIS was rejected.

Mr. KING. Mr. President, I reluctantly voted against the amendment offered by the Senator from Nebraska [Mr. NORRIS]. If the amendment had been presented as an independent proposition and not as a part of the tax bill before us, it would have commanded my support. The depressed condition of agriculture may not be ignored and before

Congress adjourns relief measures should be enacted into law. The debenture plan may not be comprehensive enough; it may be defective; but it is infinitely better than the farm-relief measure which Mr. Hoover imposed upon the country and which has failed to meet the needs of the farmers.

Several years ago when the debenture plan was before the Senate, and it was textually the same as the amendment just offered by the Senator from Nebraska, I voted for it, believing that it would be of some benefit to the agriculturists of our country. I am advised that before Congress adjourns a number of agricultural bills will be submitted for the consideration of the Senate, and ample opportunity will then be afforded to discuss the merits or demerits of the debenture plan and to adopt or reject the same. As stated, we are now considering a tax measure, and, in my opinion, the question involved in the amendment is not germane to it and should not be incorporated in the tax bill. It is important that this revenue measure be enacted into law at the earliest possible moment. Delay should be avoided. Under the circumstances and in view of the fact that farm-relief measures will be considered before we adjourn, I felt constrained to vote against the Senator's amendment, although, as stated, I have heretofore supported it; and if nothing better is offered I shall again give it my support.

## PHILIPPINE INDEPENDENCE

Mr. BINGHAM. Mr. President, I have received from the Legislative Commission from the Philippines a communication urging the early consideration and passage of Philippine legislation now before us. In the nature of a petition I ask unanimous consent that it may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The communication is as follows:

LEGISLATIVE COMMISSION FROM THE PHILIPPINES,  
Washington, D. C., May 23, 1932.

HON. HIRAM BINGHAM,

United States Senate, Washington, D. C.

DEAR SENATOR: As the session of the Congress draws to a close, we take the liberty, on behalf of the people of the Philippine Islands, to appeal once more to the United States Senate, through you, for early and favorable action with respect to the Philippine bills now pending in the Senate, before adjournment.

The Philippine problem has been discussed, examined, and investigated by the United States Congress almost continuously during the last 15 years, and extensive hearings on the pending bills have been conducted this year by the House and Senate committees. It would seem, therefore, that no great length of time will be needed for its disposal. The Hare bill passed the House by a practically unanimous vote, and the Hawes-Cutting bill, favorably reported last March by your committee, has, in its underlying features, so far as we can judge, the support of a large majority of the Senate. The differences between the Hare bill and the Hawes-Cutting bill concern matters of detail which can be readily adjusted.

We are not unaware that the Senate is confronted with economic and social problems of transcendental importance to the United States, urgently requiring action. However, the people of the Philippine Islands trust that when these problems shall have been acted upon the Senate will consider and pass the pending Philippine legislation.

We are urging action at this time, confident that the Senate realizes the importance of this legislation for the Philippine Islands, not only because it will definitely determine its future political status but also because it will settle other vexatious questions concerning immigration and the tariff which have arisen in the course of American-Philippine relations. It is apparent that to permit the Philippine measures now before the Senate to go without action will increase the uncertainty which already characterizes the Philippine situation. This indecisiveness is very harmful, not only to the political development of the islands but also to business interests there. Until the question of independence and trade relations with the United States is defined and adjusted stable economic conditions can not exist in the Philippines, no new capital will risk investment there, and real economic progress is hardly possible.

Believing that the Members of the Senate will appreciate the reasons which constrain us to request the consideration and passage of the Philippine legislation at this session, we beg to remain,

Yours respectfully,

For the Philippine Commission:

S. OSMENA,  
Acting President of the Philippine Senate.  
MANUEL ROXAS,  
Speaker of the Philippine House of Representatives.



## DEPRESSION AND LEGISLATIVE RELIEF

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD an admirable address delivered by the distinguished senior Senator from Nevada [Mr. PITTMAN] during the national radio forum and broadcast over the National Broadcasting Co. network on last evening.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

## DEPRESSION AND LEGISLATIVE RELIEF

I appreciate this opportunity through the courtesy of the Washington Star and the National Broadcasting Co. to briefly outline present emergency laws enacted for relief from depression and the proposals for future legislation. It will not take long to discuss existing legislation, as only a few bills have been enacted looking to such relief.

I do not wish to be understood as speaking in a critical vein. This depression is unique in our history. Our other periodical depressions have been more or less local in their nature, limited to countries or sections, and due to such definite causes that they could be easily understood and expeditiously remedied. This astounding and devastating depression is world-wide in its scope and effect. Strange to say, our country, the richest in gold, natural resources, intelligence, industry, and efficiency, is probably the greatest sufferer.

While this depression has buried us with the speed of an avalanche, it has come upon us with the silence and surprise of death. Few of the great minds of the world anticipated it. But a little over two years ago the world was enjoying the greatest prosperity and our country was leading in this great advance. To-day our factories are operating upon from 20 to 30 per cent of their normal capacity. The products of our farms and our mines are generally selling below the cost of production. Our export trade has almost reached the vanishing point, surpluses have piled up, and our domestic market has decreased approximately 40 per cent. From eight to ten millions of industrious, able, intelligent, and willing men and women are unemployed, walking the streets of our cities and the roads of our country, seeking labor from which to earn sufficient to feed and clothe themselves and their families.

It is conclusively evident that we are faced with the gravest emergency in our history. We met the emergency of the World War fearlessly and unselfishly. We taxed ourselves without limit and we did those things that had to be done without complaint. We can and should do the same things now.

Is there any statesman or economist who dares assert that two and one-half years ago he visualized this appalling condition? If so, I do not know of him. On the contrary, the citizens of this country and their representatives in government were lulled into dormancy and inaction through the mistaken optimistic predictions of those in high authority in government, industry, and finance. There were some, however, who partially visualized the impending disaster.

Some warnings were issued, but they were submerged and obscured in the great wave of optimistic declarations. The American Federation of Labor persistently called attention to the steady increase in unemployment. These warnings, however, were neutralized by controversial statements from the Department of Labor. Captains of industry continued, through the months of depression, to predict that the turning point would soon be reached. It was these things that excuse inaction by Congress for so long a time.

There were statesmen, however, who visualized the trend toward depression. As far back as February 15, 1928, Senator WAGNER, of New York, introduced in the Seventieth Congress Senate Resolution 147, to investigate the extent of unemployment in the United States and to provide methods for collecting statistics thereof. Even then unemployment had commenced, although the stock market was still booming.

Again, on April 20, 1928, Senator WAGNER introduced Senate bill 4157, for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and to regulate the expenditure of moneys to be appropriated for such purposes. Again Senator WAGNER, on May 1, 1928, introduced Senate bill 4307, to provide for the emergency construction of certain public works for the relief of unemployment during the periods of business depression. All of these measures, except the last, that I have named met such overpowering opposition that it was impossible to enact them.

However, in the Seventy-first Congress Senator WAGNER was successful in passing through Congress Senate bill 5776 entitled "An act to provide for the advance planning and regulated construction of public works, for the stabilization of industry, and for aiding in the prevention of unemployment during periods of business depression." This act is known as the employment stabilization act of 1931. It was approved and became a law on February 10, 1931. This was the first relief act to become a law.

At the beginning of this session of Congress Senator COSTIGAN, of Colorado, introduced a bill calling for an appropriation of \$375,000,000 to be expended by the Federal Government in aid of the destitute throughout the United States. The bill was subsequently known as the Costigan-La Follette bill. Some of the friends of the proposed legislation objected to it being administered by a Federal bureau. Without the support of these friends

there were not sufficient votes to pass the bill. A substitute was therefore offered by Senators BULKLEY, WALSH, and WAGNER carrying all of the original provisions of the Costigan-La Follette bill, but transferring the administration of the act to the States and local charity institutions. Whilst a majority of the Senate favored the purpose of the act, their forces were divided, and the opposition Senators defeated both the substitute and the Costigan-La Follette bill.

A compromise bill was then drafted which received the approval of the Committee on Manufactures, of which Senator LA FOLLETTE is chairman, and was reported to the Senate. This bill carries an appropriation of \$375,000,000 for the relief of the destitute, and \$375,000,000 for Federal-aid road work. It also provides that part of such money may be used in cities, towns, and other municipalities in the construction of streets, alleys, bridges, and aqueducts. No action has been taken on this bill because Congress has had all of its time taken up with revenue, banking, and appropriation bills.

The Reconstruction Finance Corporation act was proposed by the President. The corporation was to be organized and function along the lines of the old War Finance Corporation, but with larger and broader authority. This was in no sense a partisan measure. It was passed practically unanimously by Congress. By reason of its limited authority and its administration it has been used chiefly to aid in sustaining the credit of banks and railroad corporations. Its authority must be greatly enlarged if it is to serve the purpose of stimulating industry generally and employment throughout the country.

The Glass-Steagall Banking Act was largely the conception of its sponsors. It was intended to increase the securities in banks that might be utilized through rediscount with the Federal reserve banks for the issuance of additional currency. The banks, at the time of the passage of the act, according to Senator GLASS, even then had approximately \$5,000,000,000 in securities eligible for such rediscount. The banks seemed to fear to use these securities and so Senator GLASS proposed that certain bonds held by the banks might also be added to the eligible securities and so they were. The act has not served the high purpose intended by its authors and by Congress. The banks have failed and refused to avail themselves of the opportunity of obtaining and circulating the additional currency. This is due to fear. They fear to borrow additional currency from the Federal reserve banks and lend it to industry because most industry is suffering a deficit rather than earning a profit. Industry will not borrow money when it can not make a profit on such money above the interest that it pays for it.

The President, in his public statement on May 13th, said that "There is no dearth of capital, and on the other hand there is a real demand for capital for productive purposes that have been held in abeyance."

Our citizens wonder why, in such case, do the banks require Government aid; why the banks do not lend money to such industries. The country was told that the passage of the Reconstruction Finance Corporation act and the Glass-Steagall Banking Act would restore confidence. These acts have evidently failed to restore confidence, for we still hear the cry that we must restore confidence. According to the President, the banks have ample capital and there are safe industries that seek this capital.

It is therefore difficult to understand why there should be a lack of confidence on the part of the banks. It is not so difficult, however, to understand why there is a lack of confidence on the part of the unemployed, the farmer whose product sells for less than it costs to produce it, and the manufacturer who can find but few to purchase his goods.

In view of the foregoing statement of the President, many believe that the doubt as to the economic stability of our Government, and the lack of confidence in the safety of our Government securities, is due in a large measure to the fear and hysteria of capital and its constant, dire predictions of disaster.

There is no investment in the world as safe as the bonds and securities of our Government, and our people should know that. It is the patriotic duty of those controlling the enormous capital of this country to reassert their confidence in our Government and its ability to finance the development of Federal projects and to pay all obligations that it may incur.

So the Reconstruction Finance Corporation act and the Glass-Steagall banking act, while accomplishing some good, have in a sense been failures. Commodity prices have continued to fall and unemployment to increase.

Senator ROBINSON, the Democratic leader of the Senate, on May 11, in an address in the United States Senate, set forth a program for relief. He embraced the enactment of the last Wagner relief bill, which I have described, and also advances by the Reconstruction Finance Corporation in aid of what he termed self-liquidating projects such as bridges, tunnels, docks, viaducts, waterworks, and similar projects devoted to public use when such projects, through tolls, rents, lease, or royalties, will insure the return of the money advanced. The President immediately called Senator ROBINSON into conference. On May 13 the President gave out a statement on the subject. He approved of adding to the authority and power of the Reconstruction Finance Corporation for the purpose of aiding through loans "economically sound and self-supporting projects of a constructive replacement character." His statement was construed to include such self-liquidating projects as Senator ROBINSON designated in his speech. The President also approved of advances by the Federal Government, through the Reconstruction Finance Corporation, to the States of from \$250,000,000 to \$300,000,000, upon approved security, for the purpose of aiding in



the relief of the destitute. He opposed further Federal aid for what he termed "unproductive public works."

A subcommittee of the Democratic policy and steering committees, composed of Senators WAGNER, WALSH, PITTMAN, BULKLEY, and ROBINSON, was appointed to draft a bill for the relief of industry, agriculture, and labor. This committee, on May 21, issued a statement setting forth the proposed program of legislation. The program provides for \$300,000,000 to be advanced to the States in proportion to population, for the relief of destitution, upon demand of the governor seeking such relief and his certification that it is needed, such advances to be deducted from future grants to the State under the Federal aid highway act. This is in accord with the Wagner bill, approved by the Committee on Manufactures and now on the calendar of the Senate.

Additional authority is to be granted to the Reconstruction Finance Corporation so that it may advance not to exceed \$1,500,000,000 for the following purposes:

"(a) Construction of revenue-producing projects initiated by States, municipalities, and public corporations.

"(b) Housing and slum clearance projects undertaken by limited-dividend corporations.

"(c) Construction by private corporations of self-liquidating bridges, tunnels, docks, viaducts, waterworks, and similar projects devoted to the public use. Under this proposal no loans shall be made to any financial institution, corporation, railroad, or other association or organization of a class to which loans may be made now under the Reconstruction Finance Corporation act.

"(d) Forty million dollars to facilitate the financing of agricultural exports."

Government works are also taken care of in the program. The report says:

"Provision to be made for construction of \$500,000,000 worth of previously authorized Federal works and for the financing of such construction by means of a 25-year bond issue and sinking fund, the bonds to be issued as needed to pay for the works as they progress.

"The Federal projects to be selected must stand these specific tests:

"(a) They have heretofore been investigated and authorized by Congress with the approval of the President.

"(b) The necessary plans for their construction are in readiness or in preparation.

"(c) All are needed for the proper conduct of the Government business.

"Most of the works can be commenced at once. All of the works can be put under way within a few months. All have been carefully chosen with a view to giving maximum employment."

There are some items in the Budget and carried in the current appropriation bills that are in the nature of capital investments. For instance, for the Boulder Canyon project there is carried in the Interior Department appropriation bill \$6,000,000. The department informs us that this amount will have to be increased by \$11,000,000 in the forthcoming deficiency appropriation bill. This project should not be included in the current Government expenditures. It is a self-liquidating project. The future hydro-electric power to be generated has all been sold in advance to solvent contractors for a sufficient sum to repay the Government expenditure with interest at 4 per cent in a period of 30 years. A separate fund has even been created for this project.

Such proposed expenditure and similar expenditures should be lifted from the appropriation bills and included in the projects to be carried on under the foregoing proposal. This will materially aid in balancing the Budget, which must and will be balanced. It is fully realized that platitudinous statements and even definite proposals will mean nothing until concrete legislation is submitted to Congress. Therefore a bill to carry out the proposed program of the subcommittee is now in process of preparation and will be presented and introduced in the Senate in a few days.

It is apparent that there is a conflict of judgment with regard to relief legislation, yet it is fortunate that the administration and a majority of the Senate, as I believe, are in accord with regard to the major proposals for emergency relief.

We must realize that there are two schools of thought in this country and the proponents of each are sincere. One school of thought believes that we should spend only sufficient money to exist and thereby be enabled to reduce taxes. The proponents of this school of thought hold that the money thus relieved from taxation will go into private industry. They contend that by thus reducing expenditures they can collect sufficient in taxes to assure the payment of any debts the Government incurs and thus restore the confidence of capital. They urge that "There is no dearth of capital, and, on the other hand, there is a real demand for capital for productive purposes that have been held in abeyance."

The other school of thought, of which I am a member, is that the steady growth in depression can not be stopped until the market price of commodities rises above the cost of production; that such rise in commodity prices can not take place until the demand for our products is increased through the increase of the purchasing power of our people; that 40 per cent of the purchasers in our domestic market are laborers and those dependent upon them; that it follows, therefore, that labor must be employed, and, if individual industry can not afford to employ them, then the Government must employ them upon economically sound Government works until industry may assume its normal function as the employer.

The proponents of one school of thought believe that because we have nearly half of the gold of the world in our banks there

is ample circulating currency. The other school of thought believes that this gold, frozen in the banks of the country, has failed to circulate and is not, in a true sense, circulating currency that may be used in trade transactions by the people of the country. One school of thought believes in maintaining the purchasing power of gold, while the other school of thought believes in depreciating to a reasonable extent the purchasing power of gold and relatively increasing the purchasing power of labor and commodities.

I have only briefly touched on proposed legislation that has reached a stage where it may be interpreted. Many other acts, such as the calling of an international silver conference and the purchase with silver certificates of silver produced in the United States, looking to the raising of the exchange value and purchasing power in our markets of the money of silver-money-using countries so that they may return to the purchase of our export goods, are under consideration.

International monetary conferences have been proposed. International tariff conferences were urged under the Democratic policy measure recently passed through Congress and vetoed by the President.

The House of Representatives and the Finance Committee of the United States Senate, in their desperate search for revenue, have placed certain articles now on the free list on the dutiable list. It is complained that such tariff items should not be attached to a revenue bill. They have been attached many times in the past. It is also contended that they are protective tariffs.

It may be answered that we are living under a high protective tariff system and that there should not be any discriminations against any industry. The copper industry, for instance, is attempting to continue the production of copper, although it has suffered a deficit for two years and is now attempting to produce copper at less than half of the average cost of the production of copper in the United States. We must not blame too severely citizens of States who are suffering desperately for seeking emergency legislation, no matter in what form and how extraordinary it may appear.

All of these things are complex problems upon which the minds of men naturally differ. However, they must be solved. We have no right to surrender. Congress will violate its duty, in my opinion, if it adjourns without acting upon all of these questions and doing everything in its power to bring order out of chaos, not only in our own country but throughout the world.

#### NATIONAL ORATORICAL CONTEST PRIZE ORATION

Mr. SHORTRIDGE. Mr. President, Miss Lucylle Goldsmith was the winner of the National Oratorical Contest held in Washington, D. C., on Saturday evening last. Miss Goldsmith is a pupil of the Benjamin Franklin High School of Los Angeles, Calif. The subject of her oration was "The Constitution—the Culmination of Centuries." It is an oration to be the author of which any Member of this body might well be proud. I ask respectfully that it may be published in the RECORD.

There being no objection, the oration was ordered printed in the RECORD, as follows:

In spite of the turmoil and strife of this modern age, in spite of the many mistakes which mar the record of civilization's progress, there is one great truth which shows upon the horizon of this new day. It is a truth which above all else brings hope to man. It is so fundamental that those who understand its meaning must cease to doubt the success of this Nation's future. What is this truth? It is simply this, that regardless of the problems which confront our Nation, the people have an undying faith in that foundation of our governmental structure, the Constitution. They have this faith because they know that built into the Constitution are the fundamental needs of man. Our Constitution was not the product of 1787, nor was it the immediate creation of those who gave it form and substance at the Constitutional Convention. Its guaranties bear the brand of centuries for their justification and existence. It is great, not as many think, because of any one stroke of genius but rather it is great because it is the expression of the best results of man's struggle through the ages to learn how to govern himself. The living out of man's divine destiny necessitates certain great fundamental principles, such as domestic tranquillity, religious liberty, and individual liberty. The history of the ages is replete with accounts of man's victories achieved one by one to establish these principles in response to the requirements of his own God-given nature. The greatness of our Constitution lies in the fact that it is the embodiment of all these victories from the beginning of civilization to the signing of the last amendment.

There are buildings that soar to the sky; others remain close to the ground; but none can mount high unless its foundation is entrenched deeply, firmly into the ground. It can ascend just so high as that foundation allows. The makers of our Constitution knew that, and, mighty builders that they were, when they erected that invincible, that ever-growing building, the United States of America, they gleaned for its foundation the best from all of history.

Our idea of a senate we get from the Romans and from the Hebrew Sanhedrin of biblical times. That was one of the corner stones in the foundation. From England these draftsmen borrowed more material. Using the lessons taught by and the ideals



of the Magna Charta of 1215, of the Petition of Right, of the habeas corpus act, of the Bill of Rights, they cemented the stones comprising this foundation yet more strongly together, intrenched them yet more firmly into the soil of personal liberty. The idea of a law so fundamental as to limit even the power of the ruler runs far back into the early story of England.

Stone and mortar of more recent origin were supplied by the State constitutions. From Maryland comes the idea of the Electoral College and of the small Senate with a long term of service. From New York comes the periodic readjustment of representation after each census and the Vice President's duty to preside over the Senate and to vote only in case of a tie. Massachusetts has contributed the duties of both houses with respect to impeachment and the power of the Executive veto. Some provisions, important in the composition of this puissant document, such as the judiciary system, the short term in the lower house, and the single executive were common to nearly all the States.

The provisions in our Constitution, which divide our Government into three departments—the executive, judicial, and legislative—each acting as a check upon the other, serving to guarantee against abuse of power by any one department in the Government, were not the inventions or creations of the framers of our Constitution, but go clear back to the Magna Charta of 1215, to the codes of European states, to the days of ancient Rome, and still farther removed to the times of the first organized governments.

What were the rights our Constitution sought to safeguard? What were the weapons it provided to insure our people against despots, tyrants, and autocrats? What were the rights our Constitution declared to be inalienable, and stripped legislatures and courts for centuries after of the power to repeal or modify? Were they merely the problems of a people living in the twilight of the eighteenth century, or were they problems which have always existed from the dawn of history? The provisions in our Constitution which guarantee to every citizen the right to a trial by jury, to freedom of speech, to freedom of assembly, to petition for redress of grievances, to religious liberty—are provisions which are found in less perfect documents long before the Constitutional convention was conceived.

Kingdoms, empires, dynasties may crumble and fall to pieces, but the fundamental principles of liberty and justice embodied in our Constitution will serve the governmental needs of man forever. Thus we may go on, building an ever finer and greater structure of our country, secure in the knowledge that its foundation rests on principles wrought out through ages of actual human experience. Thus, we have a glorious foundation for a glorious structure, and that structure—of liberty, of justice, of hope—rises to the sky, glorifying the contribution of the ages, secure on the foundation that is the life of our Nation—the Constitution.

#### REVENUE AND TAXATION

The Senate resumed the consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

Mr. SHIPSTEAD. Mr. President, I send to the desk an amendment, which I offer and ask to have read.

The VICE PRESIDENT. Let the amendment be read for the information of the Senate.

The CHIEF CLERK. On page 244, after line 9, insert the following:

(9) Copra, including products of the Philippine Islands, hempseed, palm nuts, kapok seed, palm nut kernels, tung nuts, rapeseed, perilla seed, sesame seed, rubber seed, 1 cent per pound. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles.

(10) Coconut oil, the product of the Philippine Islands and other countries, palm oil, perilla and sweet almond oil, tung oil, herring oil, pilchard oil, whale oil, seal oil, sperm oil, crude, 2 cents per pound. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles.

(11) Palm-kernel oil, sunflower oil, sesame oil, rapeseed oil, olive oil, all the foregoing if in inedible form, 2 cents per pound. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles.

Mr. SHIPSTEAD. Mr. President, the purpose of the amendment is twofold. It will place a tax upon certain commodities that are now imported into this country in large quantities without paying an import tax, and I am informed it will, under the proposed rates, yield a revenue of \$24,000,000.

Mr. FESS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Ohio?

Mr. SHIPSTEAD. I yield.

Mr. FESS. Where is the amendment to be inserted in the bill?

Mr. SHIPSTEAD. It is to be inserted on page 244 after line 9, following the lumber amendment.

Mr. FESS. Does it come in as a separate paragraph?

The VICE PRESIDENT. The Chair is advised that it is a separate paragraph.

Mr. BROUSSARD. Mr. President—

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Louisiana?

Mr. SHIPSTEAD. I yield.

Mr. BROUSSARD. Does the amendment include all products imported from the Philippine Islands to the United States?

Mr. SHIPSTEAD. No; it includes copra and its products produced in the Philippine Islands.

Mr. BROUSSARD. I had hoped that it would include all Philippine products.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Massachusetts?

Mr. SHIPSTEAD. I yield.

Mr. WALSH of Massachusetts. In order that we may follow the argument of the Senator from Minnesota, will he be good enough to tell us what the present duties are upon each of the commodities and what is the duty he proposes?

Mr. SHIPSTEAD. Yes. On copra, hempseed, palm nuts, kapok seed, palm-nut kernels, tung nuts, rapeseed, perilla seed, sesame seed, and rubber seed there is now proposed a tax of 1 cent a pound. There is no tax at present.

Mr. WALSH of Massachusetts. They are on the free list?

Mr. SHIPSTEAD. Yes.

Mr. WALSH of Massachusetts. All these items?

Mr. SHIPSTEAD. Yes. On coconut oil produced outside of the Philippines there is now a tariff of 2 cents a pound.

Mr. WALSH of Massachusetts. What duty does the Senator propose on coconut oil?

Mr. SHIPSTEAD. Two cents a pound.

Mr. WALSH of Massachusetts. The Senator proposes that duty?

Mr. SHIPSTEAD. Yes.

Mr. WALSH of Massachusetts. What is the duty now?

Mr. SHIPSTEAD. Two cents a pound.

Mr. WALSH of Massachusetts. But the Senator is going to include coconut oil from the Philippine Islands and to retain the same rate?

Mr. SHIPSTEAD. Yes. It will have this effect: That coconut oil imported from the Philippines will pay 2 cents in order to come into this country and coconut oil from outside of the Philippine Islands will pay 4 cents.

Mr. WALSH of Massachusetts. The Senator proposes to double the present duty. It is 2 cents now, and the Senator proposes to change it to 4 cents.

Mr. SHIPSTEAD. Yes. The Philippines now, on account of having free entry for coconut oil, have a monopoly of imports of that product into the United States. Under this amendment they will have practically the same monopoly, because they will be able to sell their coconut oil here 2 cents cheaper than any other country producing coconut oil.

Mr. WALSH of Massachusetts. Is that the item that will produce the most revenue?

Mr. SHIPSTEAD. I will give the figures as to the production of revenue. The estimated revenue from coconut oil under this proposal will be \$15,272,000. It would produce more revenue than any of the other tariff items in this amendment.

Mr. WALSH of Massachusetts. The tariff items together will only produce \$6,000,000, so the amendment will produce much more than all of them.

Mr. SHIPSTEAD. Yes.

The Senator asked for the other items that are covered by the tariff. There are some here that are so covered. There are included in the amendment herring oil, pilchard oil, on which there is a tariff of 5 cents a gallon; whale oil has a tariff of 6 cents a gallon; seal oil has a tariff of 6 cents a gallon; and sperm oil, crude, has a tariff of 10 cents a gallon. There will be added to the existing rates an additional 2 cents a pound.



The total revenue from all these items is estimated at something over \$24,000,000. That is one purpose of offering the amendment, but there is another purpose. There is a different situation, I think, in connection with these items possibly than in the case of coal, lumber, and oil, because we were told that duties on those commodities would not raise their price to the consumer. I am frank to confess that I believe, at least I am informed, that if this amendment shall become a part of the bill and a part of the law it will raise the price of butter, because most of these oils which come in here are used in competition with butter and to make imitation butter.

They are bought at a very low price. Some of these oils used to command a price of 17 cents a pound, but can now be bought for 3½ cents. It costs about 6 cents a pound to make a pound of oleomargarine to be sold in competition with butter. I am informed it cost 21 cents a pound to make a pound of butter and place it on the market. I am also informed that, so far as vitamins are concerned, it takes 24 pounds of vegetable oil oleomargarine to equal in food value 1 pound of butter.

Some one has called this a tariff bill. I want to call the attention of the Senate to the fact that I did not want to make it a tariff bill. But it is one now. It has been said here upon the floor of the Senate that those of us who have voted to keep this revenue bill from becoming a tariff bill and are now coming to ask for items under the tariff are requesting those who fought for tariff items to "divide the swag" with us. We are not asking them to "divide any swag" with us.

A very able Senator told me to-day that it was an old maxim of equity that "he who comes asking equity must come with clean hands." I have never seen clean hands in a tariff bill. We who represent farming communities never dreamed of having equity dealt out to us in a tariff bill. We never did. We are in the position of the man who has had his pockets picked and asks for car fare to his home.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from California?

Mr. SHIPSTEAD. I do.

Mr. SHORTRIDGE. When the farmers asked for an increase of the tariff on casein, the rate on which was 2½ cents, and, through the efforts of some of us, the rate was raised to 5½ cents, that was giving some relief, according to the petitioners, was it not?

Mr. SHIPSTEAD. Undoubtedly; but I happen to be talking of equity.

Mr. SHORTRIDGE. Was not that equitable, just, and right? I think so.

Mr. NORRIS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Nebraska?

Mr. SHIPSTEAD. I yield.

Mr. NORRIS. If it is on the ground of equity, then the Senator from California, who voted against the debenture amendment proposed in order to give the farmer equity, has got a confession to make or a plea in avoidance.

Mr. SHORTRIDGE. On another occasion I will endeavor, with permission, to make reply to my learned brother from Nebraska.

Mr. LONG. Mr. President—

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Louisiana?

Mr. SHIPSTEAD. I yield.

Mr. LONG. I believe the Senator from Minnesota mixed the maxims of equity. One is that he who seeks equity must do equity; and then there is the other maxim that he who comes into court and asks for equity must come with clean hands.

Mr. SHIPSTEAD. That is right.

Mr. LONG. The point I desire to make is that it rather seems the Senator ought not to undertake to live in a house that he has done everything he could to burn down.

Mr. SHIPSTEAD. I tried to explain that our position is that of a man who has had his pocket picked, or who has been robbed, and is asking those who robbed him to give him car fare so that he may get home.

Mr. NORRIS. From the Senator's experience during to-day and the few days that have recently passed he ought to know better than to ask these fellows to give him car fare. We know they will not do it. They have robbed us, it is true, and they are laughing about it and delighted with it, and ride in their limousines with their chauffeurs and pass us by while we are trudging along afoot.

Mr. SHIPSTEAD. After the vote on the Senator's amendment I realize we can not get car fare home, but I was at least trying by this amendment to get something to eat on the way home. [Laughter.]

Mr. President, I speak figuratively, but that is the position of the farmer when it comes to legislation; that is the way he has been treated.

I was very much interested in the enumeration of the groups that have come here to get aid and comfort from the Congress at this session of Congress. They are the same old interests that have always come here—the banks, the railroads, coal, oil, lumber, copper, and foreign governments. They have all come to get their aid and comfort. It is the same old story. The soldiers came here and were told to go home. The farmers come here asking for something, and they are told, "This is not for you."

Instead of making an argument in regard to the inequitable distribution of the largess of Congress, which has been covered here this afternoon, I simply want to point out in all seriousness that this amendment which I propose is really a revenue measure rather than a tariff measure, because I am informed that it will not in any sense prove to be an embargo; and I am also informed that it will reduce very little, if at all, the imports of these products.

The objection may be made that under this amendment we are compelling the Philippine Islands to pay something for bringing coconut oil in here. They are protected. They would still have a monopoly of the importation into the United States of coconut oil, because they could bring it in here at 2 cents a pound cheaper than it can be brought from any other country. In the present stress of the United States, with a Treasury deficit, I do not believe, as a friend of the Philippines, that it is asking too much that they pay a little toward the expenses of conducting the Government of the United States, which gives them protection, and help to balance the Budget.

The only people who have objected to taxes upon these imports have been the manufacturers of soap. I want to point out that they have done very well; that they can afford to pay a little something toward the contribution that is expected to be made to the balancing of the Budget.

The soap manufacturers have played the American farmers against the producer of foreign oils for the last two decades. They have used cheap foreign oil to depress the domestic oil markets, and they have been highly successful.

In 1912, 81 per cent of the oils used in the soap industry were domestic oils. Then the soap manufacturers went after foreign oils, and to-day 56 per cent of the oils used in the manufacture of soap are domestic oils. In 1931 they bought coconut oil for 3½ cents a pound, while in 1920 they paid 17 cents a pound. Palm oil dropped from 11½ cents to 4 cents during the same period. The farmer suffered accordingly. Inedible tallow dropped from 13 cents a pound in 1920 to 3½ cents a pound in 1931, and cottonseed oil from 15½ cents a pound to 6 cents a pound during the same period.

Mr. President, in the last tariff bill this item was discussed in detail. It is not my purpose to carry on an extended argument on this measure, because it has been before the Senate heretofore. It is on a raw material coming in here in competition with our production. There will be no material diminution in imports. From the imports of 1931 it is estimated that the revenue will amount to \$24,000,000. It will give some measure of relief to the producers of dairy products, particularly butter, with which these products come in



competition. We can not successfully compete, in producing butter at 21 cents a pound, with a raw material that can be bought for 3½ cents a pound.

I am not going to say that this amendment will not raise the price of butter to the consumer. I hope it will. The farmer must get something back for what he is going to pay in this tariff bill. If, however, it does not help the farmer by making it possible for him to get a better price for his butter, it will do one thing that we can not deny, and that is, it will bring to the Government a revenue of about \$24,000,000.

A great deal of unemployment, I am informed, is prevailing along the coast among the fishery people. These products come in from abroad in competition; and as a result of the fact that it is claimed that the existing tariff is not sufficient to make it possible for them to compete it is necessary to have this protection for the fishing industry.

Mr. SHORTRIDGE. Mr. President—

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from California?

Mr. SHIPSTEAD. I do.

Mr. SHORTRIDGE. I was not in the Chamber when the Senator's amendment was read. Will he have the goodness, if it does not divert him, to state just what the items affected are? I did not have the benefit of hearing them.

Mr. SHIPSTEAD. The items affected are copra, hempseed, palm nuts, kapok seed, palm-nut kernels, perilla seed, sesame seed, and rubber seed, now on the free list, which will come in at 1 cent a pound.

Mr. SHORTRIDGE. The Senator's suggested amendment is 1 cent a pound?

Mr. SHIPSTEAD. Yes; 1 cent a pound. They are now on the free list. The second paragraph contains these oils:

Coconut oil at 2 cents a pound from every country except the Philippine Islands. This paragraph raises the tax 2 cents, and will include the Philippine Islands. From the Philippines the tax will be 2 cents a pound. From outside the Philippines it will be 4 cents.

Mr. SHORTRIDGE. I see.

Mr. SHIPSTEAD. Then palm oil, perilla and sweet almond oil, tung oil—these are the finished products of the raw material in paragraph 1—herring oil, pilchard oil, whale oil, seal oil, and sperm oil, crude, are taxed 2 cents per pound on the finished product.

Mr. SHORTRIDGE. An increase of the rates?

Mr. SHIPSTEAD. With the exception of coconut oil. The rest, except fish oils, have no tariff.

Mr. SHORTRIDGE. I am following the Senator with much interest.

Mr. SHIPSTEAD. The Senator honors me.

Mr. SHORTRIDGE. Would the Senator have the kindness to point out wherein the suggested rates would be of service to our fishing industry? He has made just brief allusion to it. If he would have the kindness to elaborate that thought a little bit, I think it would help the cause.

Mr. HASTINGS. Mr. President, I desire to inquire of the Senator from Minnesota whether it would be agreeable to him to permit this matter to go over until to-morrow after he has finished his address to-night? I desire to discuss it, and I am not prepared to discuss it to-night. I should like, if it is satisfactory to the Senator from Minnesota, to permit it to go over until to-morrow, if the Senator will agree to that.

Mr. SHIPSTEAD. I shall be very glad to comply with the Senator's request.

Mr. WALSH of Massachusetts. Mr. President, the Senator from Missouri [Mr. Hawes] is going to make reply to the Senator from Minnesota.

Mr. SMOOT. Mr. President, do I understand the Senator to say that he does not want final action on this item to-night because he desires to speak upon it to-morrow?

Mr. HASTINGS. That is correct.

Mr. SMOOT. That will not prevent the Senator from Missouri from proceeding.

Mr. HASTINGS. Not at all; and if I can have that understanding, I shall appreciate it.

Mr. SHORTRIDGE. Not to vote to-night; that is all.

Mr. SHIPSTEAD. As I understand, the Senator does not want to vote until to-morrow, and he would like to have time to discuss this amendment.

Mr. HASTINGS. I want to have a little time to discuss it to-morrow. I do not want to have to discuss it to-night.

Mr. SHIPSTEAD. Any arrangement the Senator can make will be agreeable to me.

Mr. SMOOT. What I should like to do would be to go on with the discussion as long as there is anyone to speak on it to-night, and then lay it aside until to-morrow morning, when the Senator from Delaware will take it up the first thing.

Mr. SHIPSTEAD. So far as I am concerned, I have said about all I have to say on the subject. The Senator from Delaware will discuss what the Senator from California inquired about this afternoon. I put in that part of the amendment at the request of constituents for whom he speaks, and he can speak with greater information on the subject than I can. If the Senator from Missouri wants to continue the discussion, I should be very glad to yield.

Mr. SHEPPARD. Mr. President—

The VICE PRESIDENT. Does the Senator from Minnesota yield the floor?

Mr. SHIPSTEAD. I yield to the Senator from Texas.

Mr. SHEPPARD. I should like to discuss the amendment briefly to-morrow.

Mr. SHIPSTEAD. I yield the floor.

Mr. HAWES obtained the floor.

Mr. TRAMMELL. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Florida for the purpose of suggesting the absence of a quorum?

Mr. HAWES. I do.

The VICE PRESIDENT. The clerk will call the roll.

Mr. SHORTRIDGE. Mr. President, I hope the Senator will withdraw that request. Can we not agree—

Mr. TRAMMELL. I withdraw it for the moment.

The VICE PRESIDENT. The Senator from Missouri [Mr. Hawes] has the floor. He has yielded for a quorum call. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Bailey	Costigan	Hawes	Reed
Bankhead	Couzens	Hebert	Sheppard
Barbour	Davis	Hull	Shipstead
Bingham	Dickinson	Johnson	Shorridge
Blaine	Dill	Jones	Smoot
Bratton	Fess	Keyes	Steiner
Broussard	Frazier	La Follette	Thomas, Idaho
Bulkley	George	Logan	Townsend
Bulow	Glenn	Long	Trammell
Byrnes	Goldsborough	McGill	Tydings
Capper	Gore	McNary	Vandenberg
Carey	Hale	Moses	Watson
Cohen	Harrison	Norris	White
Connally	Hastings	Nye	
Coolidge	Hatfield	Patterson	

Mr. HULL. I desire to announce the absence of my colleague [Mr. McKellar] on account of illness.

The VICE PRESIDENT. Fifty-eight Senators have answered to their names. There is a quorum present.

Mr. HAWES. Mr. President, the friends of Philippine independence have not attempted to push in the Senate the various bills presented looking to that end. We have felt that the first problem to be solved by the Nation was that relating to the balancing of the Budget and reduction of the expenses of Government; when that is completed, we will pass a Philippine independence bill.

Some six weeks ago the House of Representatives, by a vote of 306 to 47, passed a bill providing for the independence of the Philippines. If we add 42 absentees who favor the bill to the number voting, the result demonstrates a remarkable degree of unanimity in the House.

The amendment offered by the senior Senator from Minnesota [Mr. SHIPSTEAD] I know is not intended to interfere with the Philippines, and I know the Senator is in favor of Philippine independence. I am quite confident that in the Senate there are 76 assured votes for Philippine independ-



ence when that question comes before this body, and I would be very much surprised if the vote were not greater than that. But this amendment of the Senator from Minnesota presents a very interesting question.

When the Philippine Islands came into the possession of the United States, our Government, recognizing the trade relations of the Philippines with Spain and the rest of the world, allowed 10 years for the readjustment of those relations, and during that period we might almost say the old Spanish law governing those relations prevailed. Then, in 1909, it was proposed in the Congress of the United States that trade relations between the Philippines and our country should be put upon a free-trade basis. The Filipino people objected. Their legislature passed a resolution opposing it. Their public men and their newspapers opposed it, because they believed at that time that if free trade were established, it would unduly increase the production of certain articles in those islands and that it would establish a relationship which later, when they sought to secure their independence, would present severe obstacles to independence.

This amendment of the Senator from Minnesota provides that we continue our control over these people, and, at the same time, tax their exports. Time and time again before the committees of the House of Representatives and before the committees of the Senate the question of a limitation of Philippine exports and a tariff on their exports to our country has been presented. The question of a limitation of immigration also has been brought before the committees of both branches of the Congress. But every time such questions have been presented, some great Republican or some great Democrat, and all the executive departments of our Government, have, I am glad to say, appeared in opposition to such treatment. To hold these people as subject wards, to hold them with their hands tied behind them and helpless, and to strike them in the face, would be a thing Americans would not be proud of.

I need mention only two men. There was Elihu Root, an ornament to this body, one of the great men of the Nation, who protested against such thing being done in his own vigorous, eloquent way, upon the Republican side. On the Democratic side was Oscar Underwood. The War Department and the State Department have, on every occasion when it was sought to put tariff duties upon imports from the Philippine Islands, appeared before the committees and objected. That objection came from all administrations since 1909. Starting under a Republican administration, the policy of fair and just treatment of the Philippines continued until the last Democratic administration, under Woodrow Wilson.

We send our American products to the Philippines without duty; we can not honorably do this and place a tariff upon Philippine products; if we place a tax upon their production, we must permit them to tax our products.

Everyone has conceded that it would not be fair to these people to introduce free trade over their objection, over their protest; build up businesses in the islands under that arrangement, and then, when those businesses had grown to be a powerful economic factor in the trade relations between the United States and the Philippines, suddenly to change our policy. The Philippines was not responsible for the development of these industries; it was the program of the American Congress that did it.

Mr. President, I am satisfied that before Congress adjourns it will keep its promise to the Philippine people. The House of Representatives has registered its voice in that matter. It is only a matter of three or four weeks' delay at the most, and then any one of the bills—the bill which passed the House, the bill reported by the Senate committee, or the substitute suggested by the junior Senator from Michigan [Mr. VANDENBERG]—would in an equitable, proper way solve this problem.

I can not see how we could face the world, how we could face these 13,000,000 wards of ours while holding them under the administration of the United States, and passing laws

which control them, at the same time strike down the products of those islands.

The philosophy of these Philippine bills, upon which the Senate will soon vote, embodies the theory of limitations; that is to say, it stops the expansion in the production of certain of their exports. Then it goes farther. After a period of adjustment has been allowed, a tariff barrier is to begin. But it would be a politically immoral act, I think conceded by everyone, while holding the Philippines, without setting a definite date for their independence, to curtail either their exports or to put tariff duties upon those exports to the United States. It would be a thing of which the American people should be ashamed.

Time and time again this question has come up during our 30 years of sovereignty over the islands, and in every case where a committee has registered its voice or a great American has spoken that committee or that great American has said that to treat the Philippines as wards, with unfairness, with discrimination, would be almost as bad as to draw the line between citizens of different States of the Union.

Mr. VANDENBERG. Mr. President—

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Michigan?

Mr. HAWES. Certainly.

Mr. VANDENBERG. Will the Senator permit me to state that, although there are many interests in my State which are keenly concerned in the strictest possible limitation upon Philippine imports into the United States, I completely and cordially and unequivocally concur in the statement of our responsibility and duty which the Senator is now making?

Mr. HAWES. I thank the Senator. There is not a Senator in this Chamber who has given a more conscientious study to this problem than has the Senator from Michigan. The more this problem is studied the more certain will be the voice of the Senate—that to put a burden upon the Philippine people prior to a definite statement of American policy would be an act of political immorality. Of course, I am not reflecting upon the Senator from Minnesota [Mr. SHIPSTEAD], because, as the Senator from Michigan [Mr. VANDENBERG] has said, the people of his State want this question settled. Five million members of union labor are asking for its settlement; 6,500,000 farmers are asking for its settlement; 17 beet States want it settled; 5 sugar States want it settled. The distinguished Senator from California [Mr. SHORTRIDGE] knows that the Pacific coast demands a definite clean-cut settlement at this session of Congress in the matter of immigration.

Mr. SHORTRIDGE. Mr. President—

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from California?

Mr. HAWES. Certainly.

Mr. SHORTRIDGE. With unfeigned respect for the views of the Senator, he will permit me to dissent from his views in so far as they relate to the migration or the immigration of Filipino laborers to the United States. First, I observe that for many years I have taken a position in favor of granting to those ten or eleven million people their complete independence. If I had the power, I would grant that independence much more quickly or sooner than either of the bills which are now pending and which are designed to grant that independence.

But as to the migration or the coming hither of Filipino labor, I have taken the position and, with great respect for the Senator, I hold the position that it would be for the interests of the Filipino people themselves to restrict or to stop that immigration. It is quite true, as the Senator has just remarked, that the whole Pacific coast people are in favor of stopping that immigration. I think they are practically unanimous in favor of granting Philippine independence.

When during the last session of Congress I introduced a bill to stop that immigration, I received from practically every labor union on the Pacific coast, certainly practically every labor union in California, telegrams approving and



earnestly hoping for the passage of such a measure. I have reintroduced that bill, which is pending before our Committee on Immigration. As a friend of the Filipino people, I urge the passage of that bill. As a friend of our own people, I urge its passage. I think it would be for the benefit of both the Filipinos and the American people to stop that immigration now, before the granting of independence, which I favor.

Mr. HAWES. The Senator might go a little bit farther. He might add that there is not a State upon the Pacific coast, a Congressman or Senator upon the Pacific coast, who is not demanding a solution of this problem. The Senator has probably read in the CONGRESSIONAL RECORD the statement of the American Federation of Labor, comprising some 5,000,000 men. He has probably read of our colored citizens, who in their papers are demanding a definite certain solution of this problem. So the demand for a solution and a wiping out of this uncertainty, while it is unanimous upon the Pacific coast, extends throughout America.

Mr. SHORTRIDGE. Mr. President, will the Senator permit me further to interrupt him?

Mr. HAWES. Certainly.

Mr. SHORTRIDGE. I have said I favor granting independence to the Filipino people. I would not defer it to as remote a date as is fixed in the one or the other of the bills referred to; but pending that I favor the stopping or the shutting off the Filipino labor migration, and for reasons which it is not necessary for me now to state. The condition of our labor in America, the state of unemployment in America to-day, in my judgment warrants such legislation. I am not in dissent from the Senator's general view in respect to the early granting of independence to those people.

Mr. HAWES. May I say to the Senator from California that we promised these people their independence. It has been the policy of every President since McKinley to promise or to hold out the hope that in the near future they would have independence. But it may interest the Senator from California to know that at one period of our history the Filipinos were led to believe that they might be incorporated as a part of the United States and become a State of the Union. One of the most dramatic recitals I ever listened to was by an old Filipino leader who, after Aguinaldo's surrender, came to the United States. He headed a party in the Philippines to demand statehood for those islands, and amongst others, he called upon Mr. Elihu Root. He was told by that gentleman and he was told by others that the problem of a new nationality, a new racial element in our body politic, would not succeed. That party in the Philippines died because nowhere in our country was a hope held out.

So, may I say to the Senator from California I do not think it is fair, holding those people as we do, partly under our flag and partly under their flag, with no settled nationality, but under our sovereignty, under our control, under the jurisdiction of Congress, unable to defend themselves except in the matter of protest, either to limit immigration, raise a tariff barrier, or put a burden upon those people, when we are solely responsible for the present situation ourselves. I think if the Senator with his great energy and his knowledge of the disposition of the Pacific coast will help the friends of Philippine independence to secure a vote before we adjourn, which has been promised by the leadership on both sides, the question in which he is interested can be settled definitely and finally within the next three weeks.

Mr. SHORTRIDGE. Mr. President—

The VICE PRESIDENT. Does the Senator from Missouri yield further to the Senator from California?

Mr. HAWES. Certainly.

Mr. SHORTRIDGE. May I ask the Senator if the bill which bears the Senator's name provides the time for the granting of the independence?

Mr. HAWES. There are two bills. The one from the House provides for independence after eight years, but upon

the passage of the bill immigration is limited to 100 annually. The Senate bill provides for independence after 15 years and upon the adoption of a constitution, which is a matter of one year, then the inhibition begins. So there is approximately a difference of one year in the inhibition between the House bill and the Senate bill.

Mr. SHORTRIDGE. But does each bill provide for a limited migration?

Mr. HAWES. Yes; limited to 100 annually.

Mr. SHORTRIDGE. As to our presence in the Philippines and holding them, as claimed, somewhat in subjection, of course it must be admitted that we have been an unmixed blessing to the Philippine people. We broke the Spanish yoke of 300 years. I claim we have been an unmixed blessing to them. To repeat myself, looking forward to their independence, to the necessity for the development of their natural resources, it will be to their benefit to restrict the migration of their laboring people; it will be for their benefit to remain in their native country, even though under our quasi or full jurisdiction. They will be needed at home after they have become free and completely independent—as I hope they will soon become.

I do not wish my country to rest under the imputation that we are holding them in subjection, or that it is wrong to restrict their coming to the United States. I think it will be beneficial to the laboring people of those islands, and beyond question it will be beneficial to our country, to stop this immigration. Our first duty is to the United States. I may be wrong, but I hold to that view.

Mr. HAWES. Historically speaking, when our great Admiral Dewey steamed into Manila Bay, he sent for Aguinaldo and brought him from Hong Kong. He gave him arms and ammunition and Aguinaldo's army drove the Spanish from every portion of the Philippine Islands into the City of Manila. He cut off their water supply. It was a Philippine army that held the Spanish in the city of Manila for three and one-half months, before our American troops arrived. I am convinced in my own mind that so far as the Spanish are concerned, they would have been driven out of the islands without the assistance of our Americans. Of course, the great things we have done for the Philippine Islands in the matter of sanitation and education and the teaching of English and of our philosophy of government have been the most magnificent things done in the history of the world by a great people for a smaller nation.

Now the time has come when we must redeem our promise. The younger Filipinos each day are demanding independence with greater earnestness and more vigor. Senators read this morning, I am sure, the statement of our former ambassador to Japan, Mr. Forbes, which has a distinct bearing on this subject.

Mr. President, I hope that Senators will not press amendments either for the exclusion of the Filipinos or for the erection of tariff barriers against Philippine products until we can pass upon the question of Philippine independence. Then we will be able to take action honorably and in keeping with the best traditions of our country.

As to the amendment of the Senator from Minnesota, let me say I am in a way sympathetic with it. Those engaged in dairying in my section are complaining; the cotton growers are complaining; they do not like commodities produced by cheap labor on cheap land coming in free and competing with our domestic dairy products and farm products. However, I ask the Senator to delay just for two or three weeks in presenting this question. When independence comes, then the voice of labor, the voice of agriculture, the voice of the 17 sugar States asking for protection against the free entry of products competing with them, I know will be answered here in very definite terms, and we will settle the question in accordance with the better traditions of America, and not in a manner for which we may later have to apologize.

The PRESIDING OFFICER (Mr. Fess in the chair). The question is on agreeing to the amendment offered by the Senator from Minnesota.



Mr. SHIPSTEAD. Mr. President, in view of the discussion some time ago, it was tentatively agreed that this amendment should go over until to-morrow, in order to give the Senator from Delaware [Mr. HASTINGS] and the Senator from Texas [Mr. SHEPPARD] an opportunity to discuss it. If a definite arrangement can be made that the amendment shall come up when the Senate convenes to-morrow morning, that the Senator from Delaware will then take the floor and discuss the amendment, and that the discussion shall continue until a vote is had on the amendment, such an arrangement will be very agreeable to me. I have no desire to prolong the debate, but I believe that Senators who are interested in the amendment should have an opportunity to be heard. So, if an arrangement, such as I have suggested, can be definitely entered into, it will be agreeable to me to have the amendment go over.

Mr. SHORTRIDGE. Mr. President, that was agreed to, was it not?

Mr. SHIPSTEAD. It was not definitely agreed to.

Mr. SMOOT. I will say to the Senator I have no objection to such an agreement being entered into.

Mr. SHIPSTEAD. Then, Mr. President, I ask unanimous consent that the amendment may be laid aside until the Senate convenes to-morrow morning; that at that time the Senator from Delaware [Mr. HASTINGS] may take the floor, and that the discussion of the amendment shall continue until a vote is had upon it.

The PRESIDING OFFICER. The Senator from Minnesota asks unanimous consent that the amendment may be temporarily passed over, with the understanding that it shall be pending to-morrow when the Senate convenes. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMOOT. Mr. President, I ask unanimous consent that at the conclusion of its business to-day, the Senate take a recess until 11 o'clock a. m. to-morrow.

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Texas?

Mr. SMOOT. I yield.

Mr. CONNALLY. Has the Senator given consideration to the question of meeting at 10 o'clock each morning and running until 7 or 8 in the evening without having night sessions?

Mr. SMOOT. I do not think the time has arrived when we can proceed in that way. The question was brought to my attention to-day, but such an arrangement would only give us nine hours.

Mr. CONNALLY. Let me say to the Senator that I am willing to abide by the present rule of working until 10 o'clock or 11 o'clock, or even 12 o'clock, if that will speed the consideration of the bill.

Mr. SMOOT. So am I.

Mr. CONNALLY. And put the bill through, because the country wants it put through, and it ought to be put through; but, candidly, I believe that if we would meet at 10 o'clock in the morning and work hard all day until 7 or 8 o'clock and then adjourn, we should make more progress than by holding night sessions. I say that for this reason: The night session is a sort of a grand opera; there is a wonderful gallery; the newspaper men are all here, and the temptation to indulge in oratory is aggravated and stimulated and exaggerated until those who have power to entertain, or think they have, take up the time in debate, frequently on questions that do not pertain to the immediate subject matter. So my purpose in suggesting to the Senator that we consider such an arrangement is in the interest of economy of time and holding the nose of the Senate to the items of this bill until we get through with it.

Mr. SMOOT. There is much merit in what the Senator says.

Mr. CONNALLY. I thank the Senator.

Mr. SMOOT. And I will take the suggestion under consideration.

Mr. CONNALLY. I hope the Senator will.

Mr. SMOOT. If the Senate has really made up its mind that it is going to pass this bill, then I am perfectly willing

to adopt the course suggested, and then let us stick right to such an arrangement and make Senators talk to the bill.

Mr. CONNALLY. But how can we do it? How can we make them talk to the bill?

Mr. SMOOT. We can not unless they will agree to do so.

Mr. CONNALLY. Let me say to the Senator it is now 7.20 p. m.; we are going on with the bill, where are the Senators? There is no gallery here. Within an hour, however, when the gallery fills, Senators will be here on the floor. I believe that if we could work all day long and hold the nose of the Senate to the grindstone on this bill we would get through much more quickly than we will by holding night sessions. I want to see the bill passed; we have been working on it, as the Senator knows, in the Finance Committee for five weeks all day long, and I think Senators ought to stay here and work on this bill and get it through.

Mr. SMOOT. I can not agree to any such arrangement to-night, for the reason—

Mr. CONNALLY. I am not going to insist on it to-night, but will the Senator consider it to-morrow and let us determine whether or not we will adopt that sort of a program?

The PRESIDING OFFICER. The Senator from Utah asks unanimous consent that when the Senate concludes its business to-day it take a recess until 11 o'clock a. m. to-morrow. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMOOT. I want to say to the Senator from Texas that a number of Senators have objected to the plan he suggests. I have discussed it with them. They object for the simple reason that they have committee meetings. When we meet at 11 o'clock that gives only an hour for committee work; and if we should meet at 10 o'clock that would give them scarcely any time. We have only about an hour as it is now, and if we should meet at 10 there would be very little opportunity for committee meetings or other work.

Mr. CONNALLY. Where are those Senators now? They are not here. We are working, and they are not here.

Mr. SHIPSTEAD. Mr. President, will the Senator yield to me?

Mr. SMOOT. Yes.

Mr. SHIPSTEAD. To the best of my knowledge, I have been here practically all the time, and I have not seen the bill advanced on its course by any of the night sessions. I do not think we have gained five minutes' time by holding night sessions.

Mr. SMOOT. There has been more real work done in some of the night sessions in voting on amendments than there has been at any time during the day.

The PRESIDING OFFICER. The clerk will report the next amendment.

The next amendment was, on page 245, after line 4, to insert:

(8) Rubber, 5 cents a pound. All articles containing rubber, 5 cents a pound on the rubber contained therein. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles. As used in this paragraph, the term "rubber" includes all kinds of rubber and gutta-percha.

Mr. LA FOLLETTE. Mr. President, I call the attention of the chairman of the committee to the fact that the rubber amendment has just been stated. I am sure the Senator desires to have that amendment go over.

Mr. SMOOT. Mr. President, the Finance Committee will meet to-morrow morning at 9.30 to consider the rubber item, and therefore I ask that it go over.

Mr. JOHNSON. Mr. President, does not the Senator think that we ought to call for a quorum before we proceed? It was assumed that we would go on with the rubber amendment.

Mr. SMOOT. I did not think there was any question about it going over.

Mr. JOHNSON. I am not questioning that; but that is not the point.

Mr. SMOOT. There can be a call for a quorum before we proceed with the automobile amendment.



Mr. JOHNSON. The Senator from Connecticut [Mr. BINGHAM] had an amendment, as I recall, which he desired inserted at this place. I may be in error as to that, but that is my recollection.

The PRESIDING OFFICER. Without objection, the rubber amendment will be passed over. The next amendment will be stated.

The next amendment was, on page 245, after line 10, to strike out:

SEC. 602. TAX ON TOILET PREPARATIONS, ETC.

There is hereby imposed upon the following articles, sold by the manufacturer, producer, or importer, a tax equivalent to 10 per cent of the price for which so sold: Perfumes, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, tooth and mouth washes, dentrifices, tooth pastes, aromatic cachous, toilet soaps, toilet powders, and any similar substance, article, or preparation, by whatsoever name known or distinguished; any of the above which are used or applied or intended to be used or applied for toilet purposes.

Mr. DAVIS. Mr. President, I ask that the amendment be again stated.

The amendment was again stated.

Mr. SMOOT. The amendment just stated is one of several amendments striking out provisions of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment was, on page 245, after line 22, to strike out:

SEC. 603. TAX ON FURS

There is hereby imposed upon the following articles, sold by the manufacturer, producer, or importer, a tax equivalent to 10 per cent of the price for which so sold: Articles made of fur on the hide or pelt or of which any such fur is the component material of chief value.

The amendment was agreed to.

The next amendment was, on page 246, after line 3, to strike out:

SEC. 604. TAX ON JEWELRY, ETC.

There is hereby imposed upon the following articles sold by the manufacturer, producer, or importer, a tax equivalent to 10 per cent of the price for which so sold: All articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semiprecious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with, precious metals or imitations thereof or ivory (not including surgical instruments); watches; clocks; opera glasses; lorgnettes; marine glasses; field glasses; and binoculars.

The amendment was agreed to.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Coolidge	Johnson	Sheppard
Bailey	Copeland	Jones	Shipstead
Bankhead	Couzens	Kean	Shortridge
Barbour	Davis	Keyes	Smith
Barkley	Dickinson	La Follette	Smoot
Bingham	Dill	Lewis	Steiwer
Blaine	Fess	Logan	Thomas, Idaho
Borah	Frazier	Long	Thomas, Okla.
Bratton	George	McGill	Townsend
Brookhart	Glenn	McNary	Trammell
Broussard	Gore	Moses	Tydings
Bulkeley	Hale	Norris	Vandenberg
Bulow	Harrison	Nye	Walsh, Mass.
Byrnes	Hastings	Oddie	Walsh, Mont.
Capper	Hatfield	Patterson	Watson
Carey	Hayden	Pittman	White
Cohen	Hebert	Reed	
Connally	Hull	Robinson, Ark.	

The PRESIDING OFFICER. Seventy Senators having answered to their names, a quorum is present.

Mr. BINGHAM. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BINGHAM. Do I understand that we have now reached page 246, the tax on automobiles?

The PRESIDING OFFICER. Section 602. The clerk will state the amendment first.

Mr. BINGHAM. At this point, in accordance with the announcement which I made yesterday, as we have gotten through with the import duties on various products and have passed over temporarily the subject of rubber and are about

to take up the question of automobiles, I desire to have taken up my amendment, which is on the desk, and which provides for striking out the committee's proposal on page 246, line 23, of 3 per cent on automobile trucks, and so forth, restoring it to 2 per cent.

The PRESIDING OFFICER. The amendment has not yet been stated. The clerk will state the amendment.

Mr. BINGHAM. The amendment which I have to offer covers a considerable number of matters in the tax bill. Therefore I desire to offer it at this time; and if it is necessary, I shall explain it.

Before doing that, however, in view of the fact that it was not expected that this measure should come up at this evening session, I am going to ask unanimous consent that the amendment may be voted on at 2 o'clock to-morrow afternoon, in order to give everyone an opportunity to know that it is coming up, because a number of Senators who are not present this evening desire to vote against it, and some Senators who are not present will vote for it.

Mr. SMOOT. Mr. President, may I ask the Senator if he will not make that not later than 2 o'clock?

Mr. BINGHAM. Not later than 2 o'clock.

Mr. SMOOT. And does the Senator desire that when the Senate reconvenes at 11 o'clock to-morrow, he and other Senators shall occupy the time on this amendment up to 2 o'clock?

Mr. BINGHAM. I shall be ready to take it up at 11 o'clock to-morrow morning. I should have been ready this evening had I had any idea that it was coming up; but in view of the fact that we had the copra amendment before us, and the rubber amendment, I told a number of Senators that I thought it could not possibly come up this evening.

Mr. SMOOT. I should like to ask the Senator from Michigan [Mr. VANDENBERG] whether he is prepared to go on with the automobile amendment.

Mr. VANDENBERG. Mr. President, I should like to inquire what position that leaves us in. I am ready to proceed with the automobile section to a conclusion. Suppose we proceed with the section to a conclusion before we reach to-morrow and the Senator's proposition, in what position would the Senator find himself, and in what position would we find ourselves?

Mr. BINGHAM. Mr. President, I understand that the Senator proposes to strike out the tax on automobiles entirely. Is that correct?

Mr. VANDENBERG. That is correct. I propose to take a test on the general question by moving, as a substitute for the committee amendment, to strike out all of paragraph (a).

Mr. SMOOT. Of what section?

Mr. VANDENBERG. Paragraph (a) of section 602.

The PRESIDING OFFICER. The Chair is trying to get this amendment clarified. The Chair will state that the committee amendment takes precedence, and will have to be acted on first. Is not the amendment of the Senator from Connecticut just the reverse of the committee amendment? In other words, would not a negative vote on the committee amendment do what the Senator's amendment seeks to accomplish?

Mr. BINGHAM. A part of the amendment which I desire to offer includes a disagreement with the committee amendment, but that is only a small part of it. I understand that the Senator from Michigan desires to strike out the entire paragraph (a) as it came from the House.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question? Even though we proceed with this section, and even though it should be concluded one way or another this evening, would not the Senator from Connecticut still be in position to proceed with his substitute, which offers a substitute source of revenue?

Mr. BINGHAM. I will say to the Senator that if the amendment which he proposes, to strike out section (a), is adopted, then I shall be very glad to alter my amendment accordingly, and strike out something else. The whole object of the amendment which I have proposed, and which is lying on the desks of Senators, is to make it possible to legalize the manufacture and sale of beer of



2.75 per cent alcohol by weight, and raise a revenue conservatively estimated at \$375,000,000, and therefore not make it necessary to place the taxes on automobiles at the rate suggested by the committee. If the Senate is willing to strike out entirely paragraph (a), as desired by the Senator from Michigan, it would then be perfectly possible for me to make this amendment which I desire to offer applicable to some other section of the bill, thereby relieving the taxpayers of another amount.

Mr. SMOOT. Mr. President, why would not the better plan be to offer the Senator's amendment as a separate paragraph, and proceed with it in that way?

Mr. BINGHAM. Mr. President, in view of the fact that the Senator from Michigan proposes to save the taxpayers even more than I do on the question of automobiles, I am entirely willing to let him proceed until a vote has been reached on his amendment.

Mr. TYDINGS. Mr. President, will the Senator from Connecticut yield?

Mr. BINGHAM. I yield to the Senator from Maryland.

Mr. TYDINGS. I wish the Senator would put in the RECORD, if he can make a fairly accurate estimate of it, the amount of money which his amendment would yield, and how it will be used to replace other excise taxes now in the bill, so that we can all get an idea, if we vote for his amendment, to what extent we can substitute that revenue for the contemplated revenue of other excise taxes, and just how the Senator proposes to use that revenue in replacing other excise taxes.

Mr. BINGHAM. I will say to the Senator that I shall be very glad to do that; but I should prefer to debate it to-morrow morning, beginning at 11 o'clock.

Mr. TYDINGS. Will the Senator yield for another question?

Mr. BINGHAM. I yield.

Mr. TYDINGS. May I ask the Senator if his present amendment is not on a basis of 2.75 per cent by weight?

Mr. BINGHAM. That is correct, Mr. President. At the request of several Senators who were in doubt as to the constitutionality of voting for beer that is 4 per cent by volume and 3.2 per cent by weight I changed it to 2.75 per cent by weight, which is about equivalent to 3.6 per cent by volume, because, that being the point at which war-time beer was made legal, they believe that in view of all the affidavits made before the Supreme Court at the time of the celebrated case there is no question whatever that beer of an alcoholic content of 2.75 per cent by weight is nonintoxicating, whereas, notwithstanding the testimony offered before the Committee on Manufactures, there is some question in the minds of some Senators that beer of an alcoholic content of 3.2 per cent by weight, or 4 per cent by volume, might be considered to be unconstitutional.

The PRESIDING OFFICER. The clerk will state the amendment which is before the Senate.

The LEGISLATIVE CLERK. On page 246, line 23, the committee proposes to strike out "2 per cent" and insert "3 per cent."

Mr. VANDENBERG obtained the floor.

Mr. HARRISON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Mississippi?

Mr. VANDENBERG. I yield.

Mr. HARRISON. A parliamentary inquiry. What was done with section 602, the tax on toilet preparations?

Mr. SMOOT. The Senate committee amendment was agreed to, Mr. President, striking that out.

Mr. HARRISON. The amendments with reference to sections 602, 603, and 604 have been agreed to?

Mr. SMOOT. They have been agreed to.

The PRESIDING OFFICER. That is correct.

Mr. HARRISON. In each of those cases I desire to enter a motion to reconsider. I do that for this purpose: If, in the course of the consideration of this bill, we should need additional revenue from some source in order to balance the Budget, it may be necessary for us to go to some item

that the House has passed. So I am merely doing that as a formality, in order to take care of the situation which might arise in case it is necessary.

Mr. WALSH of Massachusetts. Mr. President, will the Senator repeat those sections and designate them?

Mr. HARRISON. We have just agreed to the committee amendments striking out the tax on toilet preparations, section 602; the tax on furs, section 603; and the tax on jewelry, section 604.

Mr. BINGHAM. Mr. President—

The PRESIDING OFFICER. The Senator from Michigan has the floor.

Mr. VANDENBERG. I yield to the Senator from Connecticut.

Mr. BINGHAM. In view of the fact that we have reached a tentative agreement that this matter may be considered to-morrow morning at 11 o'clock I ask unanimous consent that there may be printed in the RECORD, as a part of my remarks, a very remarkable letter which I have received from the representative of the International Steel Co. at Evansville, Ind., stating what in his opinion would be the immediate and simultaneous effect of adopting the amendment which I have offered.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

INTERNATIONAL STEEL CO.,  
Evansville, Ind., May 20, 1932.

HON. HIRAM BINGHAM,  
United States Senate, Washington, D. C.

DEAR SENATOR BINGHAM: Two hundred thousand restaurant buildings, creating a real-estate boom and requiring thousands of building mechanics, painters, decorators, etc.; 200,000 gas stoves; 200,000 radios; 200,000 refrigerators; 200,000 meters; 200,000 sets of bar fixtures (including soda fountains); 200,000 sets of furniture; 200,000 sets of cutlery, dishes, glassware; 200,000 cash registers; 200,000 showcases; 200,000 electrical fixtures; 200,000 sets of electric fans; 200,000 linoleums; 200,000 desks, safes, etc.; 200,000 sets of decorations; 200,000 users of farm products, gas, electricity, heat, etc.; 200,000 proprietors; 400,000 to 600,000 restaurant employees; and 200,000 of many other items for restaurants.

Hundreds of thousands of brewery workers, bottle workers, bottle-cap workers, coopers, coal miners, farmers, railroaders, machinists, building mechanics, painters, tanners, truck drivers, truck factory workers, etc. Twenty thousand trucks, thousands of automobiles, and millions of dollars' worth of new equipment for breweries.

A great boon in the stock and bond markets, bringing millions of dollars into circulation and into closed and open banks.

Millions of dollars would come out of hiding.

Revival of foreign trade.

Restored confidence and the purchase of that mighty volume of deferred necessities.

The above, in my opinion, would be the immediate and simultaneous requirements and effects should 2¾ per cent beer by weight be determined nonintoxicating in fact, on the following basis:

First. Using the population of Evansville, Ind., as a comparative basis for the 15 States which, when national prohibition first became effective, permitted the sale of alcoholic beverages. Therefore, the above figures are for those 15 States only.

Second. Legalizing the sale of beer in restaurants (each old saloon to be replaced by a restaurant where coffee, tea, ice cream, etc., would also be sold).

Sincerely yours,

F. O. WEBER.

The PRESIDING OFFICER. The Chair may state that there seems to be a misunderstanding as to what is to take place to-morrow. Before the Senator from Connecticut came into the Chamber an agreement was reached that we would pass over the vegetable-oil amendment, and that it should be taken up at 11 o'clock to-morrow. That agreement has already been entered into.

Mr. VANDENBERG. Mr. President, for the purpose of getting this issue squarely before the Senate, I move as a substitute for the committee amendment that all of subsection (a) in section 602 be stricken from the bill. I understand the parliamentary situation to be that the committee amendment, being a perfecting amendment to the text, will have to be voted upon first.

The PRESIDING OFFICER. That is correct.

Mr. VANDENBERG. But that subsequently my motion to strike out can then be submitted to the Senate.

The PRESIDING OFFICER. That is correct.



Mr. VANDENBERG. Therefore, I submit this amendment as the basis for what I want to say, with brevity, in respect to this proposition. In the main, I shall confine myself to the visual exhibits which were submitted to the Senate Finance Committee by the spokesmen for the automotive industry.

I want to preface these observations with a statement of four fundamental propositions, which indicate the nature of the appeal which I am submitting to the Senate.

First. The automotive industry does not ask for tax immunity. On the contrary, it has stated without equivocation that it will take its share of any universal tax which the necessities of Government may require. This is not a plea, therefore, for special favor; it is simply a plea against special and ruinous discrimination.

Second. Even this latter plea does not assert that the automotive industry particularly deserves tax justice on its own account; but it does assert that the country deserves the free and unhampered chance of domestic economic recovery, and of resurgent trade, which the automotive industry is best calculated and most bravely willing to inspire.

In other words, I shall undertake to prove to every Senator with open mind, first, that this special levy aimed at automobiles, trucks, and parts, is tax tyranny which blindly burdens a basic necessity of life and trade. Fiat logic to the contrary from the Treasury is no sounder than fiat money from that same exalted source.

Third. I shall undertake to prove that this is a tax against recaptured prosperity, and therefore is in violation of every motive and objective to which this Congress is presumptively dedicated.

I shall come immediately to the point and to the proofs; but as I submit the latter, I beg of Senators to remember that I am not speaking merely for automotive manufactories in my home State of Michigan, though Michigan happens to be the principal home of this sick but convalescent giant of modern times. I speak for the automotive industry as a whole, its labor, its capital, its sales and service agencies dotting every corner of every State in the Union—the greatest single universal economic stimulant and factor in modern American commerce.

I speak for this universality of national concern, a universality measured by the American ownership of 26,500,000 motor vehicles, which are 75 per cent of all the motor vehicles in all the world. I speak for more than 4,000,000 men of labor, who depend, directly and indirectly, upon this industry for their hopes of livelihood.

I speak by special mandate for organized agriculture in the United States which asks me to say to the Senate that the motor vehicle is as much an indispensable farm implement to-day as is the plow, and that motorized marketing is as essential as cooperative marketing for agriculture's success.

I speak, Mr. President, for the most inviting opportunity to break the vicious circle of this depression, and to provide the long-wanted and much-sought stimulation of trade. The automobile industry has dared to plan to do this thing. The question for the Senate to decide is whether it shall have this unhampered chance.

This latter is the vital consideration, because it rises above any expedient quest for handy tax targets and goes to the heart of our economic complex. The Treasury in its wisdom asked a basic 5 per cent penalty and impediment—I emphasize the word "impediment"—upon this key industry. As a matter of fact, the Treasury has always favored punishment at this point. The present Secretary objected to the repeal, even, of its war levies at the height of peace prosperity in 1927. He said, I hope prophetically, on October 31, 1927:

Once the auto tax is removed, it can not be reimposed in time of peace.

The House cut the basic penalty to 3 per cent. The Senate Finance Committee put it up to 4 per cent. I am proposing, as did my distinguished colleague in the Senate Finance Committee, to wipe it out entirely and give agri-

culture a chance. At the particular moment the question is to be taken on that section of the tax dealing with trucks. The committee proposes to increase this rate from 2 to 3 per cent, and I propose to strike it out entirely.

Now to the proofs. I intend to be brief. Indeed, I intend to let the charts in the rear of the Senate speak substantially for themselves. I am appealing not merely for the ears of my colleagues but primarily for their eyes. I am appealing fundamentally for their common sense. I suppose it would be an anachronism to appeal to their horse sense in this connection. [Laughter.]

Proposition No. 1; and this is fundamental to the whole conception. The automobile has long since ceased to be a luxury, and anybody who undertakes to deal with the automobile in its relationship to American life on the luxury basis to-day absolutely reckons without his host. It is absolutely a necessity of life.

I do not believe that Congress will pick out this one necessity of life, single it out practically alone, among all the commodities in the market place of America, and victimize it with a discriminatory and burdensome assessment. There are too many other universal alternatives available.

Mark you, I say that proposition No. 1 is that the motor vehicle has come to be a necessity. There are more motor-vehicle registrations in the United States to-day than there are telephones, than there are domestic electric connections. It is a necessity of life.

Who is the typical automobile buyer at whom this tax is aimed? That is important, and it goes to the very crux of the problem. Who is the man at whom this tax is aimed?

Here upon this first chart is shown an authenticated net analysis of the automobile sales of the United States. The average man who buys an automobile in the United States has an income of \$2,500; he is 40 years of age; he is married and has two children; he is buying a \$3,000 home; he owns a \$765 car; he spends annually for food \$800, for clothing \$275, for fuel and light \$110, and the balance of his budget in other directions.

Here is the average man at whom this tax is aimed. I repeat. He is not a rich man; he is not even a man of moderate means. He is a type of the great mass citizenship of the country, with an income of not to exceed \$2,500, and his car is a necessity to him, as we shall see as we proceed with the charts.

Let me suggest this, Mr. President, at this point: If this man is eligible for this motor tax, then a general sales tax would be even more logical. But if a general sales tax is not logical because of its burden upon mass consumption, then a special discriminatory motor tax aimed at this average man is completely illogical. Take your choice. In neither event is the special motor tax justified.

If one mass necessity is to be taxed, why not all? If none are to be taxed, why should this one productive commodity, belonging typically to this average man, with an income of \$2,500, be selected to be victimized?

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to my colleague.

Mr. COUZENS. I may point out to the Senator that he is talking about the average man. That man, under the 1918 income-tax rate, would pay an income tax of \$6, and under the rate in the pending bill, if he had a \$700 car, at 4 per cent he would pay \$28.

Mr. VANDENBERG. I thank the Senator for his observation. It bears squarely upon the general question of choosing alternatives which have an equity to support them instead of a discrimination to damn them.

Now let us look at the next chart.

Nearly two-thirds of all new cars are bought by persons with a yearly income of less than \$3,000.

More cars are purchased by persons with incomes under \$1,400 than by those having incomes over \$6,500.

Not only that, but observe on the next chart the type of car, because the type of car bears finally upon the question of whether this is a luxury or a necessity. Observe the type of car which monopolizes the motor trade.

Eighty-five per cent of all cars sell under \$750 wholesale.



Here on the chart is a circle representing the total sales. Here is the 85 per cent under \$750. Here is 7.9 per cent selling under \$1,000, and only 6.4 per cent selling for over \$1,000.

The price of cars purchased is just one more factor indicating to what extent automotion has become a mass service to mass Americans, which has been chosen, singled out, practically alone, among all commodities in the United States for discriminatory, burdensome, utterly hampering assessment in connection with this bill.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Idaho?

Mr. VANDENBERG. Certainly.

Mr. BORAH. I understood the Senator to make the statement in regard to the number of people who purchase cars or the proportion of cars which are under the price of \$1,000.

Mr. VANDENBERG. Yes.

Mr. BORAH. How much would this mean in the matter of taxes to the man buying a car of \$1,000?

Mr. VANDENBERG. It would mean \$40 under the terms of this bill.

Mr. NORRIS. What would be the additional cost he would have to pay on account of the tax levied on gasoline?

Mr. VANDENBERG. That is a matter of argument. I do not think he will have to pay any additional cost in normal situations.

Mr. BORAH. I was anxious to know where the weight of this tax would fall. I suppose it would fall on the small man?

Mr. VANDENBERG. I wonder if the Senator was in the Chamber when I showed the chart with the complete division upon it in respect to incomes? This is the chart which shows the yearly income group of the automobile owners and drivers of the country. The Senator will see that 1.4 per cent of the owners have incomes under \$1,000; 1.2 per cent of the owners have incomes from \$1,000 to \$1,200. Then it follows on up to the peak. The largest single group is 30.3 per cent of car owners with incomes of \$2,000 to \$3,000. I think this is the information the Senator was seeking.

Mr. President, bearing still further upon the point of the question whether the automobile is a luxury which is entitled to be singled out for special discrimination at this time, or whether it is a necessity, I invite the attention of the Senate to another chart showing where the motor vehicles in use are to be found. Farmers own 26 per cent of all the trucks and 18 per cent of all the cars. Fifty-seven per cent of all the cars are on farms and in towns under 10,000 population. The balance of the chart breaks the figures down and indicates the distribution by groups.

Mr. BLAINE. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Wisconsin?

Mr. VANDENBERG. I yield.

Mr. BLAINE. Do these figures represent the new trucks and new cars that are purchased?

Mr. VANDENBERG. It is my understanding that these figures represent the 1931 total registration.

Mr. BLAINE. But many of the farmers' trucks, probably a very large percentage of the farmers' trucks, are usually rebuilt or secondhand automobiles.

Mr. VANDENBERG. The Senator is correct about that.

Mr. BLAINE. They purchase a chassis for \$75 or \$100 and then pay some carpenter or they themselves make a box for the chassis. That constitutes a very large part of the farmers' trucks, as I have observed.

Mr. VANDENBERG. I shall subsequently point out, in line with the Senator's suggestion, for which I thank him, the proposal in this bill to single out parts and accessories for another discriminatory tax as a direct levy upon that farmer who is rebuilding his truck.

Make no mistake, Mr. President, as to the distribution of the ownership of these automobiles which are being recommended to the Senate by the Finance Committee for

special discrimination, special assault, and special burden. About a week ago I was called upon in my office by a group of gentlemen which included Mr. L. J. Tabor, master of the National Grange; Mr. Fred Bowen, of Oklahoma City, representing the National Farmers Union; Mr. Charles A. Hurst, of Des Moines, Iowa, vice president of the American Farm Bureau Federation; Mr. M. C. Hull, of Lansing, Mich., president of the National Dairy Union; and also the Washington representatives of those very farm organizations. It was their emphatic, unanimous, unequivocal statement that agriculture has a definite, specific, and unsundering desire for the elimination of these automotive taxes above any other amendments in the bill as it has come from the Senate Finance Committee. They believe these taxes are a tax on farm welfare.

Mr. BLAINE. Mr. President, do I understand that the tax under the bill attaches to the sale of secondhand cars or used cars?

Mr. VANDENBERG. I am unable to answer that question. I refer it to the senior Senator from Utah.

Mr. SMOOT. Mr. President, it applies to just the first sale of the car by the manufacturers.

Mr. BROOKHART. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Iowa?

Mr. VANDENBERG. I yield.

Mr. BROOKHART. The Senator stated that farm leaders are in favor of eliminating this above any other tax. My telegrams from Mr. Hurst put oil first. He wanted the elimination of the oil and gasoline tax first and then the automobile tax came next.

Mr. VANDENBERG. I think the Senator is justified in saying that equal emphasis was put upon it in the general campaign which came from these organizations. I am stating that in the interview with me, which had nothing to do except with excise taxes, the whole emphasis of agriculture was put upon the need for relief from this particular discrimination against agriculture in respect of heavy, discriminatory motor taxes.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Idaho?

Mr. VANDENBERG. Certainly.

Mr. BORAH. Do I understand the Senator is proposing to strike out all excise taxes on this item?

Mr. VANDENBERG. That is the Senator's proposal.

Mr. BORAH. Is it his contention that they should pay no tax at all?

Mr. VANDENBERG. It is my contention and it is their contention that they shall accept any tax which is general and universal. They made that frank and courageous statement to the committees in the House and the Senate. They have never complained to my knowledge against the increase in income taxes. They have never complained against any suggestion of a general sales tax. They are perfectly willing to take whatever the Senate concludes to be the best form of a universally applied assessment, and I am taking that position in presenting this matter to the Senate.

Mr. BORAH. The Senator's contention is that as a matter of equity it should go out entirely?

Mr. VANDENBERG. That is my contention, that it should go out so far as it is a selective discriminatory assessment against this one commodity alone among all the commodities that are competing for the consumer's dollar in the American market place. I am going to undertake to prove to the Senate before I conclude that there is a distinct and specific economic reason for this elimination. I think, perhaps, if I am permitted to run through the charts before further questions are submitted I may anticipate many of the questions which otherwise might be asked.

The first proposition which I submit and which I think stands beyond controversy is that the automobile no longer can be classed as a luxury. It must be classed as a necessity.

The second proposition I want to submit is that motor vehicles already are the most heavily burdened tax patriots



in the country. Indeed, they are now the essential source of substantial State revenues in every State in the Union and are largely looked upon as, and in my judgment ought to be allowed to be, the tax target of the States, if a tax target at all, instead of the Nation's.

But I want to point out to what extent the automobile vehicle already is paying its share and infinitely more than its share of the cost of Government. The motor-vehicle taxes in 1931—I am calling the attention of the Senate to the next chart now—totaled \$1,022,000,000. In gasoline taxes the motor vehicles paid, in 1931, \$524,000,000; in license fees, \$348,000,000; in personal property and municipal taxes, \$150,000,000; a total of \$1,022,000,000 in taxes.

Motor vehicles pay nearly 10 per cent of all taxes collected in this land. On the chart is the line showing the motor taxes and the comparison. All motor taxes equal one-fourth of Federal expenditures. The chart shows also the comparison with the expenditures of Federal Government.

The pending bill contemplates adding other burdens on top of this superlative burden which the traffic already bears. I say again there is no complaint from the gentlemen who have come to Washington and appeared before the committees of both Houses as against any tax which is universal in its application and respects all alike; but special levies on top of everything else are deemed to be not only insufferable but, as I shall presently indicate, it is believed to be a definite bar upon the most hopeful opportunity which there is in the present economic situation for a restimulation of general trade.

In looking at the chart which indicates the tremendous burden already carried by the motor vehicles and realizing to what an extent this contribution is being made to the States and local subdivisions of government, I submit that it might be well to remember the advice of the old adage, that it is possible to kill the goose that lays the golden egg or, changing the simile, that it is possible to put the last straw upon the camel's back which makes it break.

Here is another chart bearing upon the same subject to which I have just adverted, but showing progressively how these assessments from year to year have been rising, rising, rising. I pass the chart with the observation that inevitably there is a top where this thing will blow up.

Before coming to the next chart, I want to refer to another exhibit bearing upon the question of multiplicity of levies, because, after all, when an industry confronts a multiplicity of levies it inevitably confronts embarrassment and discouragement and difficulty. Here is a typical sample bearing upon the multiplicity of motor levies. The city of Mobile, Ala., is offered as an example. This automobile in Mobile, Ala., pays \$11.28 registration fee, \$7.80 personal-property tax, \$31.15 State gasoline tax, \$6.23 city gasoline tax, \$9.35 county gas tax, a total of \$65.78. We are proposing in the terms of this bill to manufacture one more crushing levy to be added to this total.

I want to use one more card before I leave that phase of the subject to show what these taxes mean to the individual owner of the car. I am calling attention now simply to the bottom exhibit upon this card. Senators will note the average tax for motor vehicle in 1931 was \$39.74. The total tax is 20.1 per cent. The percentage of average tax paid throughout the average life of the vehicle, namely, seven years, is 140.7 per cent of its value.

In other words, the average automotive car owner in the course of seven years, under the existing automobile tax levies of the Nation, pays almost one and a half times the cost of his car in taxes. That fact has a bearing upon the contention that there is a point at which this burden can not be extended.

The third proposition, Mr. President, is what does all this mean to labor and employment? These are factors involving unavoidable challenge in this hour of economic perplexity. Here is an industry with a potential employment of 4,022,000 men. Nine and a half per cent of all the gainfully employed workers in the United States are embraced within this classification. Those employed directly total 3,197,000. Here [indicating on chart] is the breakdown of

that figure. I will not take the time of the Senate to read the details; the chart speaks for itself. Those employed directly number 825,000, and the total is 4,022,000.

The point is, Mr. President, in respect to this chart [indicating] that I am coming to prove that this is the key industry of the United States, speaking in terms of industry, if there is a key industry in the United States.

Mr. BROOKHART. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Iowa?

Mr. VANDENBERG. I yield.

Mr. BROOKHART. Could the Senator have these tables inserted in the Record at some time? I think it would be valuable to have them printed in full.

Mr. VANDENBERG. Mr. President, I should be very happy to act upon the Senator's suggestion. At the moment, for the Record, I will call attention to the fact that the employees in the motor-vehicle factories number 228,000; in parts factories, 119,000; in tire factories, 50,000; among dealers and salesmen, 205,000; supplies, accessories, tires and parts, dealers and salesmen, 95,000; garage and repair-shop employees, 537,000; professional chauffeurs, 380,000; professional truck drivers, 1,573,000; automobile financing and insurance and those connected with such lines, 10,000; gasoline refining and retailing, 350,000; iron and steel workers, 40,000; copper, lead, tin, nickel, and aluminum workers, 10,000; railroad workers, 60,000; lumber and wood workers, 6,000; electric power and coal workers, 4,000; highway workers, 325,000; miscellaneous others, 30,000. No possible tax could be devised which would attack and hamper more elements of trade and employment.

Mr. President, again let me say that the point I am undertaking to make and which is still further emphasized by this larger chart [indicating] is that this is the key industry of the United States.

Here [indicating] is a map of the United States showing every State in the Union. The letters in red upon each State indicate the commodities from each State which are purchased and used in the manufacture of automobiles. The letter "E" in each State represents direct employment in the auto industry; the letter "S" indicates the number of automobile retail stores; the letter "F" represents the number of automotive factories and gasoline refineries.

Mr. President, I challenge any Senator from any State in the Union to identify his commonwealth upon this map and fail to find upon it the clear, specific, unanswerable demonstration that his State has a specific and direct interest in the restimulation of the automotive trade of the United States.

I invite the attention of every Senator to the fact that this industry breaks down into subactivities which touch thousands of wage earners in every State in the Union; I invite the attention of every Senator to the fact that in his State, without exception, there are basic commodities which are purchased and brought into the production of motor cars and motor vehicles. As a whole and in sum total, Mr. President, this is to-day the key industry of the United States.

This key industry, Mr. President, in the last six months has demonstrated more economic bravery than has any other industry in this land. I think Senators are familiar with the fact that during the spring sales season the automotive industry undertook to proceed regardless of profit primarily for the purpose of recreating employment, upon plans for a courageous assault upon the retail markets of the United States this year. In undertaking to proceed with that program they resorted to publicity plans upon a broad and ambitious scale, the first publicity of this sort that has been in any degree reminiscent of normal economic times in this country. They proceeded in this campaign upon the basis of the lowest possible production cost which could be attained and the lowest possible price at which the cars could be offered to the country.

The spokesman for them, Mr. President, before the Senate Finance Committee, declared that the possibility of reducing costs 10 cents upon a car was the cause of a major conference in order to achieve it; in other words, the whole point



and effort of the automotive adventure during this dark spring season has been to furnish the power which should reinspire and restimulate American industry and American business, not only with courage but with orders. They have proceeded upon that ambitious adventure, Mr. President, with a bravery that is to their everlasting credit, and with an optimism and a courage which deserve something better from the American Congress than not only a discrimination but an actual impairment of the possibility of achieving the thing so essential to American commerce in every State in this Union. They have sought orders, not profits. They seek to provide employment, not dividends.

It is upon that basis, Mr. President, fundamentally, that I submit to the Senate that it is not sound business for the Congress, itself in a situation of this character, to pick out the one business that offers any hope to America and to crucify it with a special discriminatory tax which, in the judgment of those who deal with this subject intimately, puts an additional and final load upon the industry which it can not endure if it is to carry on.

Not only that, but here is a sixth proposition, and I dismiss it in two or three sentences. The tax on replacement parts which is carried in this amendment is a tax on misfortune; it is a tax upon accident; it is a tax which invites the sacrifice of safety; it becomes veritably a tax on human life. To state the case is to prove it.

Another proposition: The automobile revenue as estimated by the Treasury is capable of being proven to have been more alluring—I do not say deliberately so—but more alluring than reliable. The fact that appears to me is that the figures submitted to the Senate as a justification for this levy have been at an altitude calculated better to "sell" the scheme to the Senate than to produce revenue for the Treasury; and I say that advisedly.

Mr. President, the estimate of revenue on the basis of the Senate Finance Committee bill is supposed to be a total of \$73,000,000. If production in 1932 shall equal that of 1931—and it will be a miracle if it does—the total revenue from this tax will be not \$73,000,000 but \$54,000,000.

Again, Mr. President—and I am now using the figures of the National Automobile Chamber of Commerce—estimated upon the basis of production for the first quarter of 1932, the product of this tax instead of being \$73,000,000 will be \$30,000,000, of which \$23,000,000 will come from automobiles, \$3,000,000 from trucks, and three and a fraction million dollars from parts.

Mr. President, the possibilities of income from this source cease to be so attractive when they are figured upon the cold realities of the situation, and I submit that it is a poor business bargain for us to single out, for the sake of \$30,000,000 instead of \$73,000,000, the one industry in America which gives any hope of resurgent trade and the restimulation of economic life; to single it out not only for a special and discriminatory and fatal burden but for actual hobbles to hold it back in its race for trade.

Mr. President, I wish to say in conclusion that there are ample alternative methods for obtaining either the \$30,000,000, which is the proceeds of this tax based upon current production, or the \$73,000,000 which is the Treasury estimate. There are ample alternative sources from which to get either one of those sums, but there is no source to which Congress may turn for either of them to less advantage than is indicated in the plan and chart of this bill in respect to this industry. Any other tax can have a better defense than this particular tax under these particular circumstances and in these particular times, when, as I have demonstrated time and again, the best economic hope of the country is in the restimulation of trade which can be touched by this key industry, and which this industry has dared to plan upon precipitating.

So I say, in conclusion, the motor industry is ready to carry its share of any uniform load, and it has never asked for any favor otherwise. It wants no favors. It simply wants an even chance at the consumer's dollar. It wants an even chance to give the consumer maximum value. It wants an even chance to put and keep 4,000,000 men at work.

It wants an even chance to stimulate all these other industries which are related to and dependent on it. It wants an even chance to survive, and to help America to survive.

The VICE PRESIDENT. The question is on the committee amendment.

Mr. VANDENBERG. Mr. President, I have submitted a substitute. I think perhaps the Chair is informed of that fact. I understand that the substitute can not be voted upon until the amendment is perfected.

The VICE PRESIDENT. Has the Senator proposed a substitute?

Mr. VANDENBERG. I have proposed a substitute.

The VICE PRESIDENT. The question is on the committee amendment.

Mr. SMOOT. Will the clerk state the substitute?

The VICE PRESIDENT. Will the Senator submit his substitute at this time?

Mr. VANDENBERG. I did submit my substitute at the opening of my observations. May I say, in view of the parliamentary situation, that my hope would be, first, that the committee amendment shall be defeated, because the committee amendment is seeking still further to increase this discrimination and burden. Therefore, on the first vote, which is a vote upon the committee amendment, I shall hope that the committee amendment will be defeated. Then, whether defeated or carried, when the Chair submits my substitute, which strikes out the entire section, I shall, of course, hope and pray that that may carry.

Mr. SMOOT. Mr. President, the committee amendment is supposed to provide a revenue of \$73,000,000, as stated by the Senator from Michigan. That is the estimate of the Treasury Department. That is on the rates recommended by the Senate committee. On the rates as passed by the House, the revenue would be \$56,000,000. Those rates are as follows:

On automobile truck chassis and automobile truck bodies, including in both cases parts or accessories therefor sold on or in connection therewith or with the sale thereof, the House provided a rate of 2 per cent. The Senate committee recommended 3 per cent.

On other automobile chassis and bodies and motor cycles, the House provided a rate of 3 per cent. The Senate committee amended that by striking out 3 per cent and inserting 4 per cent.

On parts and accessories, the House provided a rate of 1 per cent, and the Senate committee provided a rate of 3 per cent.

The VICE PRESIDENT. May the Chair state to the Senator from Utah that the first motion to strike out relates to paragraph (a) of section 602.

Mr. SMOOT. Yes; but I was giving the whole picture, because the Senator from Michigan referred to the amount of revenue that would be raised by the Senate committee provisions covering paragraphs (a), (b), and (c); and in what I stated I covered the revenue from all three of the paragraphs.

It is true, Mr. President, that the automobile truck chassis would provide at 3 per cent \$44,000,000, and at 4 per cent \$58,000,000. There is not a tax imposed in this whole bill but that there are objections to—not one.

The committee was compelled to do the best it could, and select industries, first, from which we could get the revenue; second, to do as little harm as possible to the business of the country by imposing taxes that amount to a billion dollars. That is what we had to do; and I sometimes feel that under the provisions of this bill, we will not raise the billion dollars. If business continues as it is to-day, without any increase whatever, I feel positive that under the provisions of the Senate committee amendments to the bill we can not raise that amount of money.

It is true that the industry we are taxing at this time will pay a considerable part of the tax that we intend to collect from the people. Your committee thought there is no industry in the United States that is in better condition to pay than the automobile industry. Your committee did not select it because they had any ill-will toward the



manufacturers of automobiles. They did not select that industry because of the fact that its product is used by hundreds of thousands of American citizens. Your committee had to select sources where the tax could be collected; and I think myself that the amendments that have been made by the Senate committee meet the situation as it exists in the United States as well as any changes designed to raise a billion dollars that it was possible to make.

God knows I wish we did not have to raise any additional taxes, whether from the automobile or from all of the many sources covered by taxes imposed in this bill; but in order to meet the obligations of the Government that must be done. The Budget can not be balanced unless we hurt some industries and all of the industries in the United States.

I know that this is a burdensome tax. I know that it is a tax that reaches more of the people directly than any other tax, perhaps, that there is in the bill; but we can not raise the requisite amount of money unless we do reach them.

Mr. LONG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Louisiana?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. LONG. We have all been pretty well exhausted fighting this tariff bill. That is true of several of us, including the Senator himself.

I have talked to several Senators, and I want to make a suggestion. A few of us would like to get our wits together on this matter, and I suggest that we recess to-night before trying to vote on this automobile tax and these excise taxes, and come back to-morrow morning as early as the Senator sees fit. I know there are a number of Senators that I want to confer with since we have gotten through with the tariff items, concerning which we were all in doubt as to whether or not we were going to be able to pass them. They involved considerable revenue, and it was almost impossible to make calculations until we got through those tariff items.

Mr. SMOOT. Mr. President, I assure the Senator right now that notwithstanding the tariff taxes, and taking into consideration what we anticipate collecting from them, we will not have a dollar of revenue more than is necessary to balance the Budget. I say again that it is my opinion that under the provisions of the bill as it is, if every item remains in the bill and we collect the anticipated amount from the tariff rates, I think we will fall short of the amount that is necessary.

I know the state of business throughout the country. I know that it has not improved, and it must improve if we are going to collect enough money under the provisions of this bill to raise a billion dollars and over. If I had my way, or in other words, if I were framing the bill, I would try in every possible way to avoid imposing a good many taxes that are imposed. This, of course, seems like a large amount, and it is a large amount, because the automobile industry is the greatest industry in the United States to-day.

I agree with all that the Senator from Michigan [Mr. VANDENBERG] has said in regard to the volume of business carried on by the manufacturers of automobiles in this country. I know that the business reaches into every nook and corner of the United States. There is hardly a family in the United States that is not involved in some way; but if we are to raise the necessary money to meet the Budget, we shall have to go into almost every home. We shall have to hit every individual in the United States. We can not pick out one industry and say that it shall pay all the taxes. It is an impossibility.

As far as the business is concerned for this year in which we expect to collect our taxes, I may be wrong, but I have a feeling that we are going to be greatly disappointed. I think when the tax returns come to light, and the figures are shown, there will be a greater loss than is anticipated even by the Treasury Department.

I know of no one who could have made a better plea than did the junior Senator from Michigan [Mr. VANDENBERG] in behalf of the automobile business. I know that all he has said about the real value of the industry to America is true, and more, too.

Mr. BROOKHART. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Iowa?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. BROOKHART. I should like to ask the Senator if he considers higher income taxes and estate taxes a burden on the industry of the country?

Mr. SMOOT. Every tax is a burden on the industry of the country.

Mr. BROOKHART. Then a tax that would be paid by the mass of the common people, reducing their buying power, would also be a burden on industry, would it not?

Mr. SMOOT. Every tax that is imposed in any form falls in one degree or another upon industry.

Mr. BROOKHART. I think the Senator is right. Why, then, do we have to worry our heads about balancing the Budget in time of emergency? Why can we not balance the Budget on the credit, the taxing power of the Nation in the future, when we know there will be some recovery?

Mr. SMOOT. The safest way for any government to do is to live within its income, especially where it is necessary to impose upon every individual a tax directly concerned with his own personal business.

Mr. BROOKHART. Is not that an indication that the recipients of big incomes would like now, in this time of stress, to transfer the tax over onto the recipients of the little ones?

Mr. SMOOT. No, Mr. President; they can not do that.

Mr. BROOKHART. And then be relieved from their burden when prosperity returns?

Mr. SMOOT. They can not do it. Under the present system of taxation how many persons does the Senator think pay income taxes to the Government of the United States?

Mr. BROOKHART. I know how many there are in Iowa—yes, and in the United States, too. There are about two and a half million.

Mr. SMOOT. Oh, no. There are just a little over 2,000,000 income-tax payers in the United States to-day. That is all there are. I wish we were in a position where we did not have to increase that number, but we shall have to do so.

Mr. BROOKHART. They are the ones who get all the incomes, and that is why they have to pay it.

Mr. SMOOT. Oh, no; they do not. I do not want to go into an explanation as to why they do not. There is no necessity for that at this time.

I do not know what more I could say to the Senate than what I have said. It is up to this body, on this vote, it seems to me, to decide as to whether we are to raise sufficient money to meet the deficit of our Government, which we know is going to exist.

Mr. FESS. Mr. President, will the Senator yield to me?

Mr. SMOOT. I yield.

Mr. FESS. Every Senator would like to vote against this tax. If we defeat the tax, what is the recourse?

Mr. SMOOT. I have already explained that.

Mr. COUZENS. Mr. President, will the Senator from Utah yield to me?

Mr. SMOOT. I yield.

Mr. COUZENS. I think the Senator from Ohio was here the other day when I disclosed a way of balancing the Budget without this tax. He certainly is not asking the question now as to how we could raise the money if we did not impose this tax.

Mr. FESS. I was here, but I was not impressed with what the Senator suggested.

Mr. COUZENS. It was a way, whether the Senator was impressed with it or not. I did not expect the Senator to be impressed.

Mr. FESS. We can not collect income tax when there is no income.

Mr. SMOOT. That is a certainty.

Mr. COUZENS. The statement that there is no income is almost absurd.

Mr. SMOOT. I suppose the Senator meant relatively. The Senator did not mean that nobody would pay an income tax.



Mr. FESS. Mr. President, I understand the situation of the Senator from Michigan. I am asking the chairman of the committee, if we defeat this, what is the recourse? It certainly is not in taxing high incomes. That does not impress me.

Mr. SMOOT. If we defeat this item, which we anticipate will really bring the revenue, I do not know where we will get an amount of money equal to what we would collect under this provision. Of course, there is one way, and I tried that in 1922, when a tax bill was before us, and I think I got 22 votes.

Mr. FESS. That is, the sales tax?

Mr. SMOOT. That is the general sales tax.

Mr. FESS. Is that feasible?

Mr. SMOOT. It is feasible; yes.

Mr. FESS. Why not try it?

Mr. SMOOT. Because there are not votes enough in the Senate to carry it.

Mr. COPELAND. Mr. President, will the Senator from Utah yield?

Mr. SMOOT. I yield.

Mr. COPELAND. I was called from the Chamber and did not hear the argument on this proposed amendment. As I understand it, the proposition is to strike out the committee amendment providing a tax of 3 per cent.

Mr. SMOOT. No; the pending amendment is to strike out paragraph (a) entirely, so that there will be no tax on automobiles, truck chassis, or automobile truck bodies.

The VICE PRESIDENT. The Senator is mistaken about that. The first vote will be on the committee amendment on page 246, line 23. The Senator from Michigan will then make his motion to strike out paragraph (a), after the vote is taken on the committee amendment.

Mr. SMOOT. I went to the object of the amendment directly. The object of it is to strike out all of the tax on automobiles.

Mr. COPELAND. In spite of what the object may be, I would like to know the effect of the various steps. As I understand it, the first motion is to reject the committee amendment. Is that right?

The VICE PRESIDENT. The question is on agreeing or disagreeing to the committee amendment.

Mr. COPELAND. I would like to ask the Senator from Utah this question. Suppose we reject the committee amendment. We would then go back to the 2 per cent tax, would we not? If so, what would be the estimated loss in revenue, if we were to reduce the tax from 3 per cent to 2 per cent?

Mr. SMOOT. It would be \$14,000,000.

Mr. COPELAND. The Senator is quite confident that this is a better tax than the tax on wort?

Mr. SMOOT. One article is used by everybody, and wort is used for making beer. They can get along without that.

Mr. COPELAND. Do I understand the Senator to say that wort is used by everybody?

Mr. SMOOT. Just the reverse.

Mr. COPELAND. Oh, I see; I misunderstood the Senator. [Laughter.]

Mr. SMOOT. I am quite sure the Senator was thinking as I stated it, however.

Mr. COPELAND. As I understand the Senator, if we reject the committee amendment, the effect would be to reduce the possible income from this item by \$14,000,000?

Mr. SMOOT. That is right.

Mr. COPELAND. If we were to reject the entire paragraph, it would mean the loss of three times fourteen, or \$42,000,000?

Mr. SMOOT. No; it would mean a loss of \$73,000,000 in the whole automobile tax.

Mr. COPELAND. I mean just as to paragraph (a).

Mr. SMOOT. If that were rejected, it would mean a loss of \$58,000,000.

Mr. COPELAND. Then, on the first vote we would have to choose as to whether we would retain in the bill \$14,000,000 which we would lose by going back to the House rate?

Mr. SMOOT. Yes. If the Senate committee amendment is not agreed to, we will lose \$14,000,000. If, then, the paragraph were stricken out, we would lose \$58,000,000.

Mr. COPELAND. This paragraph (a) relates wholly to trucks, does it not?

Mr. SMOOT. It covers "automobile truck chassis and automobile truck bodies."

Mr. COPELAND. I am very serious about this, because I want to know the effect of the proposed amendment. If paragraph (b) is stricken from the bill, that will include the Lincolns and the Pierce-Arrows, and the high-grade cars, will it not?

Mr. SMOOT. I stated the amount to be collected on the passenger cars. The rate on those was 3 per cent in the bill as it passed the House and is 4 per cent in the Senate committee bill. That is where the difference of \$14,000,000 comes.

Then under the 2 per cent rate—that is, on trucks—the estimated revenue is \$4,000,000 under the 2 per cent rate and under the 3 per cent rate it would amount to \$6,000,000, or a difference of \$2,000,000. Under the 1 per cent rate the amount would be \$8,000,000 under the House provision, and it would be \$9,000,000 under the Senate committee bill. That is, on tires, tubes, and so on.

Mr. COPELAND. I find myself confused, Mr. President.

Mr. SMOOT. On passenger cars the House fixed a rate of 3 per cent, the Senate committee 4 per cent, and the difference between the revenue estimated under the 3 per cent and the 4 per cent rate is \$14,000,000.

The next is trucks. The rate in the House was fixed at 2 per cent; in the Senate committee bill at 3 per cent. The difference is estimated to be \$2,000,000.

On parts and accessories the House fixed a rate of 1 per cent, under which it is estimated we would collect \$3,000,000, and the revenue estimated under the Senate committee amendment is \$9,000,000, or a difference of \$1,000,000.

Mr. COPELAND. To face the amendment which is pending, if the 3 per cent suggested by the committee were rejected, we would go back to the House rate and the loss would be \$2,000,000.

Mr. SMOOT. If one of the Senate committee rates is picked for defeat, I suppose we will take all of them. In other words, under the House provisions, all three of them, we would collect \$56,000,000, and under the Senate provisions we would collect \$73,000,000. That means a difference of \$17,000,000, taking all together.

Mr. COPELAND. I do not want to take them all together. I want to make a separation between the trucks and the pleasure cars. In my mind, at least, there is a great distinction between the trucks and the pleasure car.

Mr. SMOOT. The rate on the pleasure car is 4 per cent under the Senate committee bill, and on trucks 3 per cent, and on parts and accessories 2 per cent.

Mr. COPELAND. If we were to reject the Senate committee amendment providing for 3 per cent, in paragraph (a), and go back to the House text, our loss would be \$2,000,000?

Mr. VANDENBERG. That is correct.

Mr. SMOOT. That is, on trucks; yes.

Mr. COPELAND. While, on the other hand, if we reject the Senate committee rate of 4 per cent, in paragraph (b), and accept the House rate, we will lose \$14,000,000?

Mr. SMOOT. Fourteen million dollars.

Mr. COPELAND. So the matter that is pending now is the question of whether we will accept the Senate committee amendment of 3 per cent, or go back to the House rate of 2 per cent, and by so doing lose \$2,000,000?

Mr. SMOOT. On this particular amendment.

Mr. COUZENS. Mr. President, I do not desire to take the time of the Senate to go all over what we covered to-day, but in view of what the Senator from Ohio just stated, that he did not know what substitute we could find in place of this tax, if we could eliminate it, I want to say a word.

My colleague pointed out a few moments ago that we would expect some \$30,000,000 of tax from this item, based



on the production of three months in 1932. If that is so, then this estimate of the Treasury of \$73,000,000 is about \$40,000,000 or more off.

While I am speaking of that, I may say that I am not going over the field my colleague covered, but I want to point out that the automotive industry this year has spent nearly as much as the entire tax would be in exploiting the business, in the form of advertising and exhibits. In other words, they have spent over \$22,000,000 this year in trying to revive business. And now comes along the proposal to hobble the one great industry of the Nation with a tax which no other industry is to be hobbled with.

It is said there are no other sources of income we can tap except the motor industry, and the Senator from Utah made a very eloquent plea that this tax be retained, saying that he would not know where to go to raise the revenue if we did not impose this tax.

Obviously, we can not expect to obtain from the high income-tax brackets any substitute for these excise taxes. I am not claiming that. Whether the Senator from Ohio intended to imply that I would expect to raise the revenues from these high brackets or not, I do not know. If he did, he is in error.

I particularly pointed out the other day that the great hope of stable income this year was from the incomes in the low brackets; nevertheless, a guaranteed substantial income, not a speculative income. The incomes from two to ten thousand to twenty-five thousand dollars a year are not speculative incomes. They are the incomes from the great stable income groups of the country, and I want just for a moment to point out where the revenue could be raised.

For example, we estimate that over and above the rate now being collected the reinstatement of the 1918 rates would bring in \$486,000,000. That is \$331,000,000 more than the Finance Committee provides for.

Just consider the groups which would pay the taxes. From the group of those earning from one to two thousand dollars a year—and they would be the group of single men, without the married man's exemptions—we would get \$40,000,000.

From incomes of from two to three thousand dollars we would get \$49,000,000.

From incomes of three to five thousand we would get \$99,000,000.

From incomes of from five to ten thousand we would get \$109,000,000.

The largest group we would have would be of those earning from ten to twenty-five thousand dollars, from which we would get \$174,960,000.

It will be seen, therefore, that it is in the medium-income groups that we find the reliable incomes from which we would get the revenue.

This tax, as my colleague pointed out, would come from the average man who earns \$2,500 a year income and has a wife and two children. Under the 1918 rate he would have to pay \$6 per year income tax. He is the man who purchases an automobile at an average price of \$700 wholesale. That multiplied by 4 per cent would be \$28. Under the income tax of 1918 he would pay \$6, and under the proposed rate of 4 per cent on automobiles he would pay \$28. So I ask where is the average man? Is he better off with the income tax of 1918 or is he better off with the 4 per cent sales tax on his automobile?

Mr. President, there is no reason for any of these sales taxes. The Budget can be balanced by eliminating all of the excise or sales taxes, with the possible exception of the tax on wort, and I understand that the chairman of the Finance Committee is not anxious to have that exempted. All of the rest of the sales taxes can be exempted. We can balance the Budget by reinstating the 1918 rates, cutting out all excise taxes, but imposing the gift tax, estate tax, postal increase, stock-transfer tax, admission tax above 45 cents, and the check tax. By that means we can absolutely balance the Budget and there will be no question of whether the Budget will be balanced by guessing at what the production of automobiles or radios will be. My col-

league has very vividly pointed out that the estimate of \$73,000,000 is twice too great based on the productivity of the motor industry during the first three months of 1932.

The committee itself recognizes, perhaps more impressively than I can state, the undesirability of picking out specific industries upon which to place a sales or excise tax. Just see what they eliminated. After having considered all of the different articles on which they were to place an excise tax, they raised the rate on automobiles and eliminated the others. For example, they eliminated the excise tax or sales tax on toilet preparations, furs, jewelry, yachts and motor boats, mechanical refrigerators, sporting goods, cameras, firearms, matches, candy, and soft drinks.

The Finance Committee itself recognized how unwise and uneconomic it was to place a sales tax on all of those commodities, and so they properly eliminated those items from the bill and made up the loss of revenue that was caused by their removal by adding a 1 per cent sales tax to the already existing 3 per cent tax on automobiles.

I do not think it is necessary to have any question raised, as it has been raised by the Senator from Utah [Mr. Smoot], that there is no other means of securing the revenue.

Mr. WALSH of Montana. Mr. President, I am not at all averse to the position taken by the Senators from Michigan [Mr. COUZENS and Mr. VANDENBERG] with respect to these provisions of the bill. I am wedded to the idea advanced by the senior Senator from Michigan [Mr. COUZENS] that we ought first to exhaust all reasonable opportunities for return from the income tax. The figures submitted by the junior Senator from Michigan [Mr. VANDENBERG] were very interesting, but it does seem to me that neither of the Senators has approached the real determinative question as to whether, if we are to have excise taxes, this particular tax should be imposed.

It is very interesting to me to know that our State of Montana, for instance, supplies a considerable amount of commodities to the automobile industry, and likewise other States throughout the Union. But, of course, we are interested in knowing what the result of this tax will be upon our supplies. Of course, if this tax would utterly destroy the automobile industry we would not be able to sell anything more to it. But it has not been established, at least, except by the statement of the junior Senator from Michigan, that the automobile industry would be destroyed. Indeed, I am concerned particularly to know to what extent the sale of automobiles would be hampered or destroyed by the imposition of this particular tax.

In other words, ought we not to have some information as to how prosperous this industry has been, what profits have been made during these periods of depression, or what losses they have sustained to indicate the burden that this particular tax would be. For instance, on an automobile that sells for \$650, if the sales tax of 4 per cent were imposed, that would be \$26, and the price exacted of the purchaser would be \$676. How much of a loss would there be in the sale of automobiles if we increased the price from \$650 to \$676?

Take the case of the automobile that sells now for \$1,000. If we impose a 4 per cent tax that would be \$40, and the purchaser would be obliged to pay \$1,040 instead of \$1,000. How many quite willing to buy an automobile that costs \$1,000 would decline to buy it if they had to pay \$1,040? These seem to me to be the important questions for determining, if we are going to impose excise taxes, whether we ought to impose this particular tax on this particular industry.

Mr. VANDENBERG. Mr. President—

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Michigan?

Mr. WALSH of Montana. Certainly.

Mr. VANDENBERG. Of course it would be absurd to say that this tax would destroy the automobile industry. On the other hand, it would be absurd for a layman, either like the Senator from Montana or myself, to undertake to estimate the handicap involved in such a tax. We can only go to those who are presumed to know. I invite the attention of



the Senator to the fact that perhaps 15 of the major automotive executives of the United States appeared in person before the Senate Finance Committee and submitted it as their considered conclusion that the assessment of this tax would provide just enough of a handicap and barrier to absolutely defeat their sales-campaign purpose for this spring, which they had built upon the absolute cost basis for the purpose of attempting to contribute a trade stimulus to their country and reopen their automobile factories.

Again, on the question of what their profits have been, I am not permitted to make public the schedule I have in my hand, although I shall be very happy to show it to the Senator, but I tell him that out of the 13 major companies of the country 11 show a distinct and substantial operating loss during the first three months of this year.

Mr. WALSH of Montana. But let me inquire if the real evidence of that would not be the income-tax returns?

Mr. VANDENBERG. Yes; and I would be quite happy to refer the Senator to those tax returns if he can get at them. I think the automotive industry, in the face of a lack of profits, relatively speaking, has been so much more patriotic than any other industry in the United States in going ahead in spite of its burdens, that I would be very happy to have the Senator check upon that statement in the income-tax figures, if he can do so.

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Utah?

Mr. WALSH of Montana. I yield.

Mr. SMOOT. The example to which the Senator has called attention showed that on an automobile costing \$700 the added tax would make a price of \$728. But the Senator must remember that this tax is not to be imposed upon the retail price that would be paid by the purchaser.

Mr. WALSH of Montana. I understand.

Mr. SMOOT. It is to be imposed upon the manufacturer's wholesale price.

Mr. WALSH of Montana. Yes; it is a wholesale price, I understand; but I was assuming those figures for purposes of illustration. I suppose very likely, the retail price being \$700, the wholesale price would not be more than \$550, or something like that.

Mr. SMOOT. Certainly.

Mr. WALSH of Montana. I just used those figures for the purpose of illustration. I merely desire to say, of course, that the opinion of these gentlemen, expressed before the committee, without any facts upon which that opinion is based, is a rather unsafe basis upon which we ought to act.

Mr. COUZENS. Mr. President—

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Montana yield to the Senator from Michigan?

Mr. WALSH of Montana. I yield.

Mr. COUZENS. Is there any way an estimate could be made of how much this tax would deter sales? How would the Senator go about it? If he were to ask the motor manufacturers to tell him how much the tax would deter sales, I do not think it would be humanly possible for them to give an answer.

Mr. WALSH of Montana. I presume the next best answer would be the margin of profit there is in it.

Mr. COUZENS. Whether or not there is any margin of profit in the industry, it was obvious from the statement made that they would have to add it, as they have always added it, to the sale price of their car. In previous years when we have had such a tax they have not only advertised the wholesale price of the car, but have advertised "plus Federal tax of so much," and that in itself would be a deterrent on the sale.

Mr. WALSH of Montana. In the case I stated, it would be a deterrent to the extent of \$40.

Mr. COUZENS. There is another matter I want to emphasize. The president of one of the large companies pointed out to me very vividly the psychology of picking out this industry as a luxury. The president of this com-

pany said they had just produced a new car costing about \$1,700. If I remember correctly, he said they had demonstrated that car to 2,000 people through their sales agencies and they had closed practically no sales because everybody said, "It is a brand-new car and shiny; it is a luxury, and I guess I had better not be seen driving it now because of the effect it has upon those who are in distress." Not only is the tax involved but the psychology of picking out of all the industries in the United States this one industry and saying, "We will place a tax on it because it is a luxury," has a bad psychological effect.

Mr. VANDENBERG. Bearing upon the question of whether there is a sales resistance as a result of taxation, let me invite the attention of the Senator to a chart showing the States with high gasoline taxes. Ten of them are set forth. The average decrease in automobile registration in those 10 States for last year is 9.7 per cent, compared with the average national decrease of 2.8 per cent. On the chart is shown likewise the spread in States with a high gasoline tax. There are also shown 10 comparable States with a low gasoline tax. The average decrease in those 10 States is 0.8 per cent, as compared with 2.8 per cent, the national average. For whatever it is worth, I suggest that it bears upon the question of the sales resistance which the higher gasoline taxation provides.

Mr. WALSH of Montana. There must be many other factors inducing caution in investment in automobiles in those States.

Mr. VANDENBERG. If it is just a coincidence, it is a coincidence in 20 States.

Mr. COPELAND. Mr. President, I can not for the life of me see why the manufacturers of automobiles are the ones to complain. When one goes into a salesroom in New York to buy a car the price that is quoted to him is the price of the car in Detroit or at the place of manufacture. He has to pay the freight, he has to pay the charges of delivery, and I doubt exceedingly if the question of a small tax on a pleasure car would make any difference in the sale of that car. However, when it comes to the trucks, which are used by farmers and the delivery men, which, in fact, are a part of their business, I should like to see the price as low as possible. I can not see why the committee did not classify trucks and pleasure cars, too, in relation to value. The man who can afford to buy a Lincoln can afford to pay very much higher taxes proportionately than one who is likely to buy a Ford, although I know a very rich man now in sight of my eyes who rides in a Ford.

However, Mr. President, if I might use a much over-worked modern term, I think it is "all bunk" to talk about the effect of this tax upon the manufacture of automobiles. I do not believe a word of it, in spite of the eloquence of those who advocate the idea. We must have revenue from some source; and, therefore, so far as I am concerned, I am going to vote for the tax on the pleasure car and against the tax on the truck.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. VANDENBERG. I ask for the yeas and nays, Mr. President.

The yeas and nays were ordered.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Connally	Hatfield	McNary
Bailey	Coolidge	Hayden	Moses
Bankhead	Copeland	Hebert	Neely
Barbour	Couzens	Howell	Norbeck
Barkley	Davis	Hull	Norris
Bingham	Dickinson	Johnson	Nye
Blaine	Dill	Jones	Oddie
Borah	Fess	Kean	Reed
Brookhart	Frazier	Keyes	Robinson, Ark.
Broussard	George	Kling	Schall
Bulkeley	Glass	La Follette	Sheppard
Bulow	Gore	Lewis	Shipstead
Byrnes	Hale	Logan	Shortridge
Capper	Harrison	Long	Smith
Cohen	Hastings	McGill	Smoot



Stelwer	Trammell	Wagner	Watson
Thomas, Idaho	Tydings	Walsh, Mass.	Wheeler
Thomas, Okla.	Vandenberg	Walsh, Mont.	White
Townsend			

The PRESIDING OFFICER. Seventy-three Senators having answered to their names, a quorum is present. The question is on the amendment reported by the committee, on which the yeas and nays have been ordered.

Mr. VANDENBERG. Mr. President, let me make it plain, inasmuch as the parliamentary situation has become somewhat involved, that the roll is about to be called on the committee amendment increasing the automobile tax on trucks.

Mr. TRAMMELL. Mr. President, when the pending bill was reported to the Senate there was ample reason for adopting the House rates on trucks and automobile accessories instead of the rates recommended by the committee. The reasons which then existed for a reduction of those rates have been intensified on account of the action of a majority of the Senate in imposing a tariff of 4 cents a gallon on lubricating oil and 2½ cents a gallon on gasoline. On account of this additional burden, which a majority of the Senate has imposed upon the users of automobiles and on machinery requiring lubricating oils in their operation, amounting approximately to half a billion dollars, if the scheme operates as hoped for, no doubt, by its proponents, there is now double the reason why we should strike from this bill the tariff of 3 per cent upon automobile trucks and accessories, and also when we reach the amendment we should eliminate from the bill the tax of 4 per cent upon automobiles, as recommended by the committee.

Throughout the entire country—and I speak with more definite knowledge in regard to my own State—automobiles have for a number of years become the prey of those who find it necessary to provide for additional revenue. Every time a State gets into desperate straights for additional revenue it seems the first move is to turn toward the imposition of an additional tax upon gasoline and upon automobile license tags. In my State we have to-day a tax of 7 cents per gallon upon gasoline, and we have very high license taxes and charges for automobile tags. The rate of tax upon accessories has also been increased. The imposition of an additional tax by Congress will inflict upon the owners of automobiles a burden which will be almost unbearable. I very much hope that some other source for raising revenue may be found rather than singling out and discriminating against the automobile. I hope the Senate will first adopt the House rate and later on strike the tax entirely from this measure.

I am not speaking particularly for the industry; I am speaking for the users of automobiles. The Senators from Michigan speak for the industry. They have been pleading for it with great ability, except when the question arose of imposing a tax of 2½ cents on gasoline. I do not imagine that will be very conducive to the success of the automobile industry; I do not imagine that will assist very materially in keeping millions at work in the automobile factories; I do not imagine it will very greatly intensify the sales of automobiles; but I am sure that the Senators from Michigan are very capable of representing and speaking in behalf of the automobile industry.

My plea is more for those who use automobiles, which have become practically a necessity in this country. Certainly we know that trucks are a necessity to the farmers. So I hope that the Senate will first reject the Senate committee amendment, and then I shall be very much pleased to cooperate in an effort entirely to wipe out the tax on trucks and automobile accessories.

Mr. BINGHAM. Mr. President, as is well known, I have an amendment pending which will more than provide for the increased revenue proposed by the Senate committee. Because it was not supposed that the amendment would come up to-night, there are several Senators absent, some of whom would vote against it and some of whom would vote for it.

I shall vote against the committee amendment on this particular item in the hope that it may be defeated and

that the money thereby lost to the revenue may later be provided by a tax which would be taken not from the pockets of honest taxpayers engaged in legitimate business but from the pockets of those engaged in illegitimate business.

Mr. KING. Mr. President, will the Senator yield for a question?

Mr. BINGHAM. I yield.

Mr. KING. Assuming that the Senator's amendment which, as I understand, relates to beer, is not adopted—and I think I can prophesy that it will not receive a majority vote of the Senate—and the tax on automobiles is stricken out, would the Senator, then, favor a sales tax? It is obvious, if all these excise taxes are eliminated from the bill, that we will have to resort to a sales tax or some other plan in order to obtain the revenue provided for in the pending bill.

Mr. BINGHAM. Before that happens I hope the Senate will realize that there is one source from which we may derive \$375,000,000 or possibly \$450,000,000, which will be taken not from the pockets of honest business but the profits of illegal industry. The Senate has already, by unanimous vote, agreed to attempt to take some \$90,000,000 from the profits of illegal industry by placing a tax of 15 cents a gallon on brewer's wort, which is used for nothing else than making illegal beer.

Mr. President, while it is perfectly proper that they should attempt to reduce the profits of the alley brewers by that much money—it is expected to raise the sum of \$90,000,000—since the Senate has unanimously voted to take \$90,000,000 from the profits of the alley brewers, I can see no reason why the Senate should not be willing to take \$375,000,000 from the profits of the bootleggers.

Mr. WHEELER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Montana?

Mr. BINGHAM. I yield.

Mr. WHEELER. Will the Senator kindly tell me how his leader at the other end of the Avenue stands with reference to this proposition? I am speaking of Mr. Hoover. Can the Senator tell me how the President stands with reference to this amendment?

I will say to the Senator that I have voted heretofore for a tax on beer; but I am a little hesitant about doing it again because of the fact that Governor Smith and the rest of these notable gentlemen have urged us to have a nonpartisan Government here in Washington and to stand by the administration; and I wanted to find out how Mr. Hoover stood before I voted at this time for this tax on beer.

Mr. BINGHAM. Yes; I realize perfectly well that the Senator from Montana would give a great deal to be able to follow the President in these matters; but the last time the matter was voted on upon the floor of the Senate there were 12 Republicans who voted for beer and 12 Democrats. Therefore it would seem to be fairly evenly divided; and I submit that it is not a partisan issue.

In the votes in the House on this subject the House has been very evenly divided. On the question of repeal there have been more Republicans voting for it than Democrats, and on the question yesterday on beer there were a few more Democrats than Republicans voting for it.

It is not a partisan issue; and, as the Senator very well knows, there have been no indications from the other end of the Avenue as to how we should vote on this subject.

Mr. KING. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield.

Mr. KING. I do not want to enter into any controversy with my good friend; but he knows that many of the provisions embodied in the bill were transmitted to the committee undoubtedly with the consent, if not by the direction, of the President. Secretary Mills—and it is no secret, or I would not mention it—suggested this proposition dealing with automobiles; and the Senate Committee on Finance reluctantly, I believe, voted to support it, believing that it was necessary in order to raise a requisite revenue, unless a sales tax was imposed or other excise taxes were levied. It



was appreciated that resort to other sources of revenue might be more oppressive and obnoxious than the tax under consideration.

The Senator from Connecticut is a Republican. I am a Democrat. I voted very reluctantly to tax the automobile industry; but the House bill contained an excise tax on automobiles and trucks, and the administration urged that this particular provision under discussion be incorporated in the bill. I feel some moral obligation to stand by the committee; and I also believe it to be my duty to aid in giving to the country a reasonably, just, and fair revenue bill, and one that will receive the approval of the President.

I ask the Senator in the light of all the facts, if we eliminate this tax and other excise provisions in the bill, will we not be driven either to a sales tax or to the Senator's beer tax, the latter of which can not be passed, or to the proposition of the senior Senator from Michigan [Mr. COUZENS], which imposes higher income taxes, which will probably fall far short of furnishing the revenues required?

Mr. BINGHAM. Mr. President, the Senator has asked a great many riddles which no one can answer.

Mr. KING. They are not riddles.

Mr. BINGHAM. May I say to him that he may remember, if he was in attendance at the committee meeting on the morning when the proposal was made, that the Senator from Connecticut stated that he was opposed to several of the proposals embodied in the Treasury proposition; but in order to get the matter out of the committee, where it had been sent back and forth like battledore and shuttlecock, I suggested that we accept the proposition as a whole as a compromise, even though there were matters in it which some of us could not support on the floor of the Senate. Therefore I suggested that we accept it as a whole, and I voted for it as a whole in order that it might come out on the floor of the Senate, where it could be discussed in the open.

Furthermore, on a subsequent occasion I voted against a reconsideration of any rates whatsoever in the committee; and I supposed that that vote had been a decisive vote. In fact, my recollection is that we twice voted not to have any reconsideration, the first time on the very day when the compromise was suggested, and the second time at the next meeting of the committee. Yet to-day, in the absence of several Members who did not know the matter had come up, the question of rates was reconsidered, and the rate on admissions to race tracks where horses and dogs race was lowered, the committee thereby reversing its former position, through what parliamentary situation I do not know. But I do not consider myself bound, and so stated at the time, to vote for any particular rate adopted in the committee that day.

Mr. KING. I think the Senator has given a correct recitation of some of the details that happened in the committee; and yet it does seem to me that we can not fully justify ourselves in voting to report out a bill containing these provisions and then attempt to destroy the measure.

Under those circumstances, having reported the bill, it does seem to me that we would be doing a disservice to ourselves and to the country if we spent the major part of our time trying to tear it down and then attempting to reconstruct on the floor of the Senate a measure, the proportions of which and the distortions of which no one could fully foresee.

Mr. BINGHAM. I think the Senator will bear me out when I claim that since the bill has been reported I have not consumed 10 minutes of the time of the Senate in discussing any of the measures which have been reported in the bill; and I can promise the Senate that to-morrow, when we are to take up this matter, I shall not take more than 10 minutes in discussing this amendment. It is not my purpose to delay action in the slightest degree.

Mr. HARRISON. Mr. President, may I ask the Senator one question before he sits down? I am not going to take up the time of the Senate.

Is the Senator opposed to the Senate committee amendment in order to create a deficit in the amount of revenue we are trying to raise here, so that he can then have a bet-

ter argument for his beer amendment; or, is his opposition because he is fundamentally against the increase in this particular item?

Mr. BINGHAM. I think the Senator from Mississippi was not in the Chamber when I stated that the reason I should vote against the automobile tax was in the hope that the Senate might at a later time, when we had an opportunity to vote upon it, supply the deficit in another way. I will say to the Senator that had the program gone through as was expected this afternoon and had the evening been spent upon the subject of coconut oil and copra and rubber, the matter might have come up to-morrow, and I should have offered my amendment before this amendment came to the Senate.

In view, however, of the fact that we had told several Senators that it would not come up, I asked that it be allowed to go until to-morrow; and I have already stated that the reason I was voting against it was in the hope that we might find another way of filling the deficit which would be encountered if we struck out this item. I stated that the way I proposed to fill it was by extending the Senate's vote the other day, when we voted to take \$90,000,000 out of the pockets of the alley brewers, to taking \$375,000,000 out of the pockets of the bootleggers by legitimatizing good, wholesome beer at a rate of 2.75 per cent alcohol by weight, which, as everyone agrees, is nonintoxicating. It is not the kind of beer that some people would like to buy; but, at any rate—

Mr. HARRISON. I think the Senator has answered the question.

Mr. BINGHAM. I think I have the floor. The Senator interrupted me; and I shall hold the floor until I have finished what I have to say.

Mr. HARRISON. I will sit down, then, because I know it is going to be a long time.

Mr. BINGHAM. I had finished what I intended to say, but the Senator brought me to my feet again. If the Senator desires me to go on now, I am perfectly willing to go on; but I had taken my seat.

Mr. HARRISON. Does the Senator ask me a question?

Mr. BINGHAM. I did not ask the Senator any question.

Mr. HARRISON. I have no objection to the Senator going on.

Mr. BINGHAM. Very well; then I will proceed.

Mr. HARRISON. I was asking this question in perfect good faith, and the Senator has answered it. I thought that was his reason for opposing this particular amendment. I did not believe he had any fundamental objections to it; but I thought it was for the reason, may I say to the Senator, if he will permit me—

Mr. BINGHAM. Very well; and if the motion of the Senator from Michigan carries, I presume the Senator from Mississippi, in accordance with his usual practice, will move to reconsider, in order that the whole thing may be rehearsed at a later date; and if at that time the motion to legalize the manufacture and sale of 2.75 per cent beer has failed—

Mr. HARRISON. I will not move to reconsider it.

Mr. BINGHAM (continuing). I shall probably vote with him for the tax on automobiles; but at the present time I propose to vote against it.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield the floor. I do not desire to take any more time.

Mr. HARRISON. Mr. President—

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. HARRISON. I thought that was the Senator's position, and that is the trouble about this whole situation.

The Senator from Connecticut [Mr. BINGHAM] wants to get his beer proposition in the bill. The Senator from Michigan [Mr. COUZENS] wants to get his high income-tax proposition in the bill. The Senator from Pennsylvania [Mr. REED], perhaps, or the Senator from some other State, wants to get his sales tax in the bill. These various elements are going to vote against the recommendations of the committee. If we eliminate these propositions, we are going to find



ourselves in the same confused state that the House found itself in, which action was condemned by the country.

It seems to me the only way to have an orderly measure is to try to go through on these recommendations. All of these arguments were put before the Committee on Finance. Very distinguished gentlemen represented the automobile interest. The same beautiful chart was presented to us at that time. Just before we vote on this automobile matter, however, may I say to my colleagues on this side that this is an unusual thing.

In 1918 the tax on this industry was 5 per cent on automobiles, 3 per cent on trucks, and 5 per cent on accessories.

In 1921 the tax was 5 per cent on automobiles, 3 per cent on trucks, and 5 per cent on accessories.

In 1924 the tax was put at 5 per cent on automobiles, 3 per cent on trucks, and we reduced the tax on accessories to 2½ per cent.

In 1926 we reduced the tax on automobiles to 3 per cent, we took the tax off trucks, and we took it off accessories.

The tax was not removed from automobiles until 1928. Indeed, we are not now, in the Senate committee's recommendation, going as high as the Treasury recommended, because they recommended at that time 5 per cent, 3 per cent, and 2½ per cent, the 1924 rates. The committee have reported only 5, 3, and 2 per cent.

Mr. REED. Mr. President, it is true that in the Finance Committee I voted against and did my best to strike from the bill a number of these special sales taxes which seemed to me to be grossly unfair.

I disapprove of this tax on automobiles and trucks, just as I disapprove of all the other special excise taxes in this bill; but the Senator from Mississippi [Mr. HARRISON] is wrong if he thinks that I am going to vote against them. I am going to vote in favor of the committee's action right through this list, although I am glad to have this opportunity of saying now that I think the whole system is unfair; and I hope and believe that when we have gotten through perfecting it and going over the separate amendments, we will then be driven by the very logic of events to adopt a uniform manufacturers' tax at a low rate. I understand that the Senator from Massachusetts [Mr. WALSH] expects to propose such an amendment. If he does propose it, I expect to support it.

Meantime, however, this country is faced with a situation that is infinitely more important than the details of any tax bill. If this tax on beer can not be adopted, if the very high income-tax rates urged by the Senator from Michigan [Mr. COUZENS] can not be adopted—and I do not think either of them can be adopted, either the beer tax or the high surtaxes—if they can not be, and if, contrary to my expectation, a sales tax that is uniform, bearing equally on all businesses, can not be adopted, then in order to balance the Budget we shall have to put on these special excises; and it is vastly more important to the United States that we should balance the Budget than that we should be fair to particular industries.

There will not be any industry left in the United States unless the Senate and the House have the courage to raise taxes to the point where the revenue will equal the spending we have authorized. There will not be any United States to save, there will not be any business left to be fair or unfair to unless we have the courage to balance the Budget, and that is much more important than the fairness of any single rate that is here.

For that reason, although I hope later to see a fair and uniform tax adopted, I expect, until that time comes, to vote to support the action of the committee in the matter of these special taxes, although in my heart I disapprove of every one of them.

Mr. NORRIS. Mr. President, I dislike to see Senators become excited about the balancing of the Budget and the place where we are going to levy more taxes. We have not exhausted the objects of taxation by any means. Of course, some of us thought we ought to tax big incomes, big inheritances, giving big exemptions, so that the men with millions and billions, with incomes of from a million to five million,

would pay a portion of their large incomes to help the Government, which the Senator from Pennsylvania has just pictured in its distress, in its misery, and in its collapse, about to pass out. But we did not succeed in doing that.

I sympathize with the Senator from Michigan in his advocacy of an amendment for the relief of the automobile industry from taxation. I can see how those Senators who want to relieve the automobile industry from taxation feel. They have just united with other Senators in putting a tax on gasoline. That has a direct influence upon the automobile industry. The men who are making automobiles will be injured by that tax, and, of course, they naturally want to relieve the automobile industry of the tax, so they will be able to bear the loss of lessening sales caused by the increase in the price of gasoline and oil.

I feel like returning good for evil to the automobile people, who strenuously and successfully imposed upon the farmers of America a gasoline tax, which will interfere with their automobile occupations and activities, and interfere with the purchases of new automobiles. So I am going to vote against the committee, in order to let the automobile fellows off a little on their taxes, so they will not need to go to the poorhouse but can still live in luxury, and not sell quite as many automobiles to the farmers, who have to pay the additional tax upon gasoline.

That is not all, however. There are other sources of revenue. We all love to tax the farmer. We have demonstrated that. We have sources of income among the farming communities of this country that will make it unnecessary to tax beer, will make it unnecessary to tax automobiles, will make it unnecessary to tax big incomes, it will make it unnecessary to tax large inheritances. We are not "soaking" the rich, but we are going to "sock" the poor.

On the farms of this country there are millions of hogs, literally millions. Why not levy an excise tax on hogs? It would be a great tax raiser. We could get unlimited funds, and we could relieve the rich from taxation. A dollar a head on hogs would yield a great revenue.

Mr. LA FOLLETTE. Did the Senator say dogs?

Mr. NORRIS. No; I would not tax dogs, because there are too many society women in the fashionable houses of this country who have dogs, and of course we must not tax them. [Laughter.] But a dollar a head on hogs would relieve us of our trouble, and it would put the burden upon the farmer, who is used to it. That is where we ought to go with our taxes.

I dislike to see this controversy between the Senator from Utah and the Senator from Connecticut, frittering away valuable time in a discussion whether we should tax bootleggers or not, frittering away the valuable moments of the Senate in a discussion of whether we should levy a tax on beer. That is immaterial. We ought to give due consideration to the occupation and the business of racketeers. We ought not to ruin them. We have not done it very much lately. They are going along pretty much as they want to. They control large sections of the country, and some people think they do it very well. But we need not concern ourselves about burdens of taxation as long as we have such lucrative untaxed fields. If we can not get enough on hogs, let us tax cultivators or let us tax plows. There are millions of plows all over South Dakota doing nothing. Why not tax them and put them to some use? [Laughter.] There are harrows all over the West. Let us tax some of the harrows.

Mr. LONG. How about chickens?

Mr. NORRIS. Well, tax chickens if you want to, but if a tax were put on chickens, the farmer might increase the price of the chickens when he sells them, and that would not work, because we who live in the mansions eat chickens, and we must not tax ourselves. We must put the tax where it can not be passed on.

I think we could very well afford to lay aside this disagreement we have been hearing about taxing automobiles and wealth and business. Business would feel good if it were relieved of some of the taxes. They are threatening to take money out of business, and we would not want them to do that. They would consent to do business and make millions.



They would go right on making millions. Those engaged in business would still consent to operate at a profit where they could accumulate billions of dollars and make millions in net incomes if we would not tax them. So we should let the farmer bear the burden.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. LEWIS. I take the liberty to propound a question to my learned friend from Nebraska, the eminent Senator, conscious of his discriminating intelligence in matters of agriculture and in the application of taxes. Might I not ask the Senator, since he conceives the thought of taxing the hogs of the country, what is his conception of taxing the asses of the city? [Laughter on the floor and in the galleries.]

Mr. NORRIS. Mr. President, I did not catch the Senator's question. Did he ask me a question? Will not the Senator please repeat the question?

The VICE PRESIDENT. The Chair announces that if there is further demonstration in the galleries the galleries will be cleared. The rules of the Senate must be obeyed.

Mr. LEWIS. Mr. President, I am sorry I awakened the risibilities of the audience to such a degree as to endanger their presence here. But my eminent friend from Nebraska says that the gentle interruption of the pleasurable laughter prevented him hearing my inquiry. My inquiry of the Senator was, announcing as a predicate—

Mr. NORRIS. As a what?

Mr. LEWIS. As a predicate that, as the Senator is so capable, as disclosed, in his distinguished wisdom as to the application of taxes in order to relieve the burdens he feels unconscionable, and having announced what he thought was an equitable policy, of taxing hogs of the country, I sought from the Senator his judgment as to adding to that the taxation of asses of the city.

Mr. NORRIS. What of the city?

Mr. LEWIS. It is evident that my eminent friend from Nebraska, being a good farmer, has not associated with the large cities enough to know what aggregates their population—the asses of the city.

Mr. NORRIS. The Senator, being a resident of one of the large cities, I suppose, has a good idea of what he means. I am not very familiar with it.

Mr. LEWIS. I regret to say, Mr. President, that in politics I have seen more display of that equine juris than of any other order in the large cities, when it comes to the question of the representatives of the respective political parties.

Mr. NORRIS. The Senator, of course, is more familiar with that than I am.

Mr. LEWIS. I live in Chicago, where a very large percentage of mankind may be observed, and I still insist that since the Senator chooses from the country one of its particular products as a possibility of taxation, I can not see why certain other products throughout our country ought to be exempt, in view of what I have seen of their conduct in political affairs in this country.

Mr. NORRIS. Mr. President, of course the Senator is more familiar with that than I am, whatever the thing is. I do not know myself what it is, but I presume it is something which lives in the city.

Mr. GORE. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield the floor.

Mr. GORE. I do not care to occupy the floor, but if rumors are true, there are a good many sons of wild asses in the West. I presume the Senator from Nebraska is not one of them, however. His ears did not seem to be long enough to catch the remark of the Senator from Illinois. [Laughter.]

Mr. NORRIS. Mr. President, in my judgment, one's ears would have to be much longer than the ears of the particular animal with which the Senator from Oklahoma appears to be familiar to hear what the Senator from Illinois said. It may be that my hearing is defective. When the Senator from Illinois and the Senator from Oklahoma get to be as old, or within 50 years as old, as I am, it may be that their hearing also will be defective. I am not to blame for that.

Mr. LEWIS. Mr. President, the distinguished Senator's hearing may be defective, but all who hear him know his wisdom is not.

Mr. NORRIS. I thank the Senator and yield the floor.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 246, line 23.

Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DALE]. In his absence I withhold my vote. If permitted to vote, I would vote "nay."

Mr. BINGHAM. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BINGHAM. May we have the amendment stated for the benefit of those who were not present when the roll call began?

The VICE PRESIDENT. The amendment will again be stated.

The LEGISLATIVE CLERK. On page 246, line 23, strike out "2 per cent" and insert "3 per cent," so as to read "automobile truck chassis and automobile truck bodies."

The VICE PRESIDENT. The clerk will continue the roll call.

The roll call was resumed.

Mr. BYRNES (when his name was called). I have a general pair with the junior Senator from Vermont [Mr. AUSTIN]. I transfer that pair to the senior Senator from Florida [Mr. FLETCHER] and vote "nay."

Mr. TRAMMELL (when Mr. FLETCHER's name was called). I desire to announce a pair on this particular vote between my colleague the senior Senator from Florida [Mr. FLETCHER] and the junior Senator from Vermont [Mr. AUSTIN]. Were my colleague present, he would vote "nay."

Mr. HASTINGS (when his name was called). On this question I have a pair with the senior Senator from Alabama [Mr. BLACK] and therefore withhold my vote. If permitted to vote, I would vote "yea."

Mr. HULL (when his name was called). I have a general pair with the junior Senator from Connecticut [Mr. WILCOTT]. In his absence I withhold my vote.

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON]. I transfer that pair to the senior Senator from Colorado [Mr. WATERMAN] and vote "yea."

Mr. NEELY (when his name was called). On this vote I am paired with the junior Senator from Maryland [Mr. GOLDSBOROUGH]. I transfer that pair to the junior Senator from Arizona [Mr. HAYDEN] and vote "yea."

Mr. SCHALL (when his name was called). I have a pair with the senior Senator from New Mexico [Mr. BRATTON]. Not knowing how he would vote, I withhold my vote. Were I permitted to vote, I would vote "yea."

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. MCKELLAR]. Not knowing how he would vote, I withhold my vote.

Mr. TYDINGS (when his name was called). On this vote I am paired with the senior Senator from Rhode Island [Mr. METCALF]. I understand if he were present he would vote as I shall vote. I therefore vote "nay."

Mr. WAGNER (when his name was called). On this vote I am paired with the junior Senator from Missouri [Mr. PATTERSON], who is detained because of illness in his family. If he were present, he would vote "yea." If I were permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. FESS. I desire to announce the following general pairs:

The junior Senator from Wyoming [Mr. CAREY] with the senior Senator from Wyoming [Mr. KENDRICK];

The junior Senator from Indiana [Mr. ROBINSON] with the junior Senator from Arkansas [Mrs. CARAWAY]; and



The junior Senator from New Mexico [Mr. CUTTING] with the junior Senator from Mississippi [Mr. STEPHENS].

The result was announced—yeas 30, nays 39, as follows:

## YEAS—30

Ashurst	Gore	Lewis	Smoot
Barbour	Hale	McNary	Stetson
Barkley	Harrison	Neely	Thomas, Idaho
Broussard	Hatfield	Pittman	Watson
Connally	Hebert	Reed	Wheeler
Dickinson	Jones	Robinson, Ark.	White
Fess	Kean	Sheppard	
George	King	Shortridge	

## NAYS—39

Bailey	Cohen	Johnson	Oddie
Bankhead	Coolidge	Keyes	Shipstead
Bingham	Copeland	La Follette	Smith
Blaine	Couzens	Logan	Thomas, Okla.
Borah	Davis	Long	Trammell
Brookhart	Dill	McGill	Tydings
Bulkley	Frazier	Moses	Vandenberg
Bulow	Glass	Norbeck	Walsh, Mass.
Byrnes	Hawes	Norris	Walsh, Mont.
Capper	Howell	Nye	

## NOT VOTING—27

Austin	Dale	Kendrick	Stephens
Black	Fletcher	McKellar	Swanson
Bratton	Glenn	Metcalf	Townsend
Caraway	Goldsbrough	Morrison	Wagner
Carey	Hastings	Patterson	Walcott
Costigan	Hayden	Robinson, Ind.	Waterman
Cutting	Hull	Schall	

So the amendment of the committee was rejected.

Mr. LA FOLLETTE. Mr. President, I wish to enter a motion to reconsider the vote by which the amendment was rejected.

The VICE PRESIDENT. The motion will be entered. The question is on the amendment of the Senator from Michigan [Mr. VANDENBERG].

Mr. SMOOT. Mr. President, as we have already discussed the next amendment relating to automobiles, I should like to have a vote on the amendment at this time.

Mr. HARRISON. Mr. President, will not the Senator let us proceed, so we may vote on this particular item of the Senator from Michigan and settle it at this time? If we are not going to have a tax on automobiles, then we ought not to have it. If the sales-tax people and the beer people and the high income tax people want to join, let them do it now and kill the bill.

Mr. SMOOT. I have asked that we may have a vote on the amendment of the Senator from Michigan.

Mr. HARRISON. I want to say to the Senator and some of my Republican friends that this side of the aisle is not going to furnish any votes on this proposition with those on the other side of the aisle laying down on it.

Mr. SMOOT. I am just as much interested in it as is the Senator from Mississippi, and that is the reason why I think as long as the Senators are all here and the matter has been discussed we might have a vote on it. This is the amendment relating to trucks. Some Senators want to vote for a tax on trucks. Let us have the vote, and then perhaps Senators will support the committee.

The VICE PRESIDENT. The question is on the amendment of the Senator from Michigan.

Mr. SMOOT. I call for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. Let the amendment of the Senator from Michigan [Mr. VANDENBERG] be stated.

The LEGISLATIVE CLERK. The junior Senator from Michigan proposes, on page 246, to strike out paragraph (a) of section 602, lines 20 to 25, both inclusive, as follows:

(a) Automobile truck chassis and automobile truck bodies (including in both cases parts or accessories therefor sold on or in connection therewith or with the sale thereof), 2 per cent. A sale of an automobile truck shall, for the purposes of this subsection, be considered to be a sale of the chassis and of the body.

The VICE PRESIDENT. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. ASHURST answered in the negative.

Mr. LONG. Mr. President, there is much confusion among Senators as to what we are voting on. May we

have it stated by the Senator from Utah so we may know what we are voting on? I am not the only one confused.

The VICE PRESIDENT. Let the Senate be in order, and the clerk will state the amendment again.

The legislative clerk again stated the amendment.

Mr. SMITH. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SMITH. Does the amendment apply just to trucks?

The VICE PRESIDENT. Just to trucks.

Mr. SMITH. Or to trucks and accessories?

The VICE PRESIDENT. Truck chassis and truck bodies. The clerk will continue calling the roll.

The legislative clerk resumed the calling of the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DALE]. In his absence I withhold my vote. If permitted to vote, I would vote "yea."

Mr. TRAMMELL (when Mr. FLETCHER's name was called). I desire to make the same announcement with regard to my colleague the senior Senator from Florida [Mr. FLETCHER], who has a pair on this particular vote with the junior Senator from Vermont [Mr. AUSTIN].

Mr. HASTINGS (when his name was called). Making the same announcement as on the last vote, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. HULL (when his name was called). I again announce my general pair with the junior Senator from Connecticut [Mr. WALCOTT]. Not knowing how he would vote, I withhold my vote.

Mr. NEELY (when his name was called). On this vote I am paired with the junior Senator from Maryland [Mr. GOLDSBOROUGH]. I transfer that pair to the junior Senator from Arizona [Mr. HAYDEN] and vote "nay."

Mr. WATSON (when the name of Mr. ROBINSON of Indiana was called). My colleague the junior Senator from Indiana [Mr. ROBINSON] is detained at home by reason of illness.

Mr. SCHALL (when his name was called). I have a pair with the senior Senator from New Mexico [Mr. BRATTON]. Not knowing how he would vote, I withhold my vote. Were I permitted to vote, I would vote "nay."

Mr. TOWNSEND (when his name was called). Making the same announcement as on the previous vote, I withhold my vote.

Mr. TYDINGS (when his name was called). Making the same announcement as before, I vote "yea."

Mr. WAGNER (when his name was called). I am paired upon this vote with the junior Senator from Missouri [Mr. PATTERSON]. I am informed that if he were present, he would vote as I propose to vote. I therefore feel at liberty to vote. I vote "nay."

Mr. BINGHAM (when Mr. WALCOTT's name was called). My colleague the junior Senator from Connecticut [Mr. WALCOTT] is necessarily absent. If present, he would vote "nay."

The roll call was concluded.

Mr. HASTINGS. I find that I can transfer my pair with the senior Senator from Alabama [Mr. BLACK] to the senior Senator from Colorado [Mr. WATERMAN]. I make that transfer, and therefore am permitted to vote. I vote "nay."

Mr. FESS. I desire to announce the following general pairs:

The Senator from Washington [Mr. JONES] with the Senator from Virginia [Mr. SWANSON];

The Senator from Indiana [Mr. ROBINSON] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from New Mexico [Mr. CUTTING] with the Senator from Mississippi [Mr. STEPHENS]; and

The junior Senator from Wyoming [Mr. CAREY] with the senior Senator from Wyoming [Mr. KENDRICK].

The result was announced—yeas 29, nays 40, as follows:

## YEAS—29

Bailey	Byrnes	Dill	Johnson
Blaine	Capper	Frazier	Logan
Brookhart	Cohen	Glass	Long
Bulkley	Coolidge	Hawes	McGill
Bulow	Couzens	Howell	Norbeck



Nye  
Oddie  
Smith

Thomas, Okla.  
Trammell

Tydings  
Vandenberg

Walsh, Mass.  
Walsh, Mont.

#### NAYS—40

Ashurst  
Barbour  
Barkley  
Bingham  
Borah  
Broussard  
Connally  
Copeland  
Davis  
Dickinson

Fess  
George  
Gore  
Hale  
Harrison  
Hastings  
Hatfield  
Hebert  
Kean  
Keyes

King  
La Follette  
Lewis  
McNary  
Moses  
Neely  
Norris  
Pittman  
Reed  
Robinson, Ark.

Sheppard  
Shipstead  
Shortridge  
Smoot  
Steiwer  
Thomas, Idaho  
Wagner  
Watson  
Wheeler  
White

#### NOT VOTING—27

Austin  
Bankhead  
Black  
Bratton  
Caraway  
Carey  
Costigan

Cutting  
Dale  
Fletcher  
Glenn  
Goldsborough  
Hayden  
Hull

Jones  
Kendrick  
McKellar  
Metcalf  
Morrison  
Patterson  
Robinson, Ind.

Schall  
Stephens  
Swanson  
Townsend  
Walcott  
Waterman

So Mr. VANDENBERG's motion to strike out was rejected.

Mr. LA FOLLETTE. Mr. President, I desire to enter a motion to reconsider the vote just taken.

The VICE PRESIDENT. The motion will be entered.

#### AGRICULTURAL RELIEF

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred resolutions recently adopted by the Taxpayers' League of Pottawatomie County, Kans. They are brief, to the point, and to my mind outline a constructive and helpful program. I particularly approve the appeal for lower interest rates for the agricultural industry.

There being no objection, the resolutions were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

*To the Members of the United States Senate and House of Representatives from Kansas:*

We, the Taxpayers' League of Pottawatomie County, Kans., being assembled at the call of our chairman, make the following resolutions for the purpose of showing to our legislators our attitude on certain problems which now confront our country.

1. We indorse the efforts of the farm groups now working in behalf of depressed agriculture and urge you, our representatives in the national legislative body, to cooperate with those groups and vote in favor of legislation sponsored by those groups.

2. We particularly urge you to vote in favor of any bill introduced in Congress the purpose of which is to lower or reduce the interest rates on farm loans made by the Federal Farm Loan Board or Federal land banks, affecting those made in the past and those to be made in the future, as interest now appears to be one of the largest items of expense from the standpoint of the farm owner.

Passed this 30th day of April, 1932, by the above-named body in session in the city of Westmoreland.

F. J. PRAGUE, President.

Attest:

FRED M. BROWN, Secretary.

#### PETITION OF THE AMERICAN FEDERATION OF MUSICIANS

Mr. WAGNER presented the petition of the American Federation of Musicians, praying for a redress of grievances, which was referred to the Committee on Naval Affairs and ordered to be printed in the RECORD, as follows:

To the PRESIDENT, the VICE PRESIDENT, and the SPEAKER OF THE HOUSE OF REPRESENTATIVES:

Your petitioners, the American Federation of Musicians, an organization comprising 683 local unions, with a total membership of 140,000 citizens who are professional instrumental musicians dependent upon their employment as such for a living for themselves and their families, exercising an age-old right of English-speaking peoples expressly guaranteed to us by the first amendment, do hereby respectfully petition you, the chief representatives of our Government, for a redress of certain grievances that bear destructively upon us as a class, do injury to our people as a whole, and tend to bring disrespect for our Government. These grievous conditions are caused by:

1. The Navy Department's persistence in the unlawful practice of ordering or permitting United States Navy bands to be used by civilian individuals and organizations for their private purposes.

2. The Navy Department's unlawful practice of hiring our Government bands to private booking agents and tour conductors for the profitable exploitation and pecuniary benefit of those individuals.

3. The resort by radiobroadcasting to machine-made and reproduced "music" for the real living art.

I

There are 145 service bands (89 Army, 56 Navy), with a membership of some 4,000 enlisted men. Three or four years ago the War

Department took measures to prevent the use of the Army bands to the injury of civilian musicians. But the Navy Department, despite our continual protests, steadfastly persists in its practice, to our great injury.

These 56 Navy bands are of course a part of the regular Navy, and their members are paid fair compensation out of the Public Treasury. Several of these bands are stationed in or near the District of Columbia, some on our ships, many at our various shore stations. Beginning many years ago, when our defense establishments were small, naval commandants made a practice of permitting Navy bands to furnish music at private functions, as to some extent did the Army. In 1908, and again in 1916, Congress undertook to prohibit such uses of service bands in competition with civilian musicians. The Army, for the past several years, has accorded the statute fair respect, but, as for the Navy, the legislation has made the situation worse, as that department has, in practice, regarded the legislation as a grant rather than a limitation of authority. At least, since 1921, the Navy Department and naval commandants have habitually ignored the spirit and intent of the law and have persisted in doing with the bands as they pleased.

Instances of misuse of these bands by the department are as numerous and varied as the requests of civilians deemed prominent enough to be thus favored. They include all classes of private entertainments of which music is usually a part; private balls, dinners, and card parties, dinners in honor of naval officers, who are invited to bring their bands along with them; cabaret, hotel, and amusement-park entertainments; automobile shows, horse shows, and flower shows; radio programs; dedications of hotels and radio stations; football and baseball celebrations; outings and other functions given by city clubs, rotary clubs, boards of trade, and chambers of commerce; meetings of lawyers and national advertisers; church affairs of one kind and another; Knights of Columbus balls and Masonic banquets; in short anything held or sponsored by those having sufficient influence to get a band. Only in a single instance known to us has the department ever failed to approve a commandant's order for the use of a Navy band on such occasions.

By such methods naval personnel are put into the service of a class of private personages who thus get their diversions, entertainment, and self-aggrandizement at the expense of the public; this to our injury, to the degradation of the enlisted men of the bands, and to the cheapening of the Government in the esteem of thoughtful citizens.

A bill (H. R. 5647) designed to redress this grievance and to keep naval bands within the scope of their naval duties was introduced December 14, 1931, but we have not yet been able to arrange to be heard by the committee. We submit that the bill merits the favorable consideration of the Congress, and we respectfully ask for the enactment of legislation that will prevent such misuses of Navy bands to our injury.

II

In addition to the above general abuses, Navy bands stationed in Washington are annually hired out to private booking agents, who send the bands on concert tours upon itineraries and to places selected by the booking agent as offering him the greatest profit. This is called "enabling the public to hear their own bands." The few localities that make the most generous arrangements with the booking agent, who for the purpose owns the band and uses it for his profitable exploitation, do get to hear a band maintained by the taxpayers, but the people of such localities pay the booking agent handsomely for the privilege. The Navy Department turns the band over to the booking agent and there stops, divesting itself of all further responsibility; it knows and cares nothing about the terms of the employment nor the prices charged the public, nor the amount of profit made by the booking agent, nor the division of the profits between booking agent and band leader, nor the share which the band leader passes on to the individual members of the band. The bands are placed by the booking agents in direct competition with civilian musicians. Congress has been prevailed upon to provide in sporadic legislation that during such tours members of the bands shall suffer no loss of pay and allowances, from which the department has deducted what it regards as full authority.

If it is the policy of Congress that the public is entitled to have service bands go on tour in order that at least some of the people may hear them (a policy which we do not oppose although doubting its wisdom), it would seem that Congress should provide appropriate means and sufficient funds to that end. If a naval band can be let to a private individual to be exploited by him for profit, then, with equal consistence and with equal dignity, a naval vessel with its crew might be let to a shipping firm as a freighter or to a wealthy citizen as a yacht, or a crack troop of cavalry might be hired out to a circus.

We respectfully ask that the hiring out of these bands to booking agents be stopped by appropriate legislation.

III

Radio and "canned-music" machines of one kind and another play a prominent part in making this an age of substitutes in which sham serves for the genuine here, there, nearly everywhere. Canned music, cheap, novel, and ingenious, but not music, is being put over, ever increasingly, at great cost to the public and with great gain to the exploiters. Canned music has its place but never where better can be had. If present progress in foisting it upon the public suffers no check, the time may come when we shall no more hear and no more feel real music, that art which is most generally appreciated and which most influences human conduct.



Music is as necessary to proper human development as food and clothing. It has far-reaching social consequences, contributing to personal happiness, good citizenship, enlightened civilization.

For radio purposes, the air is owned by the people, under absolute Federal control. Broadcasting stations and systems are but the people's permittees holding subject to the people's will as imposed by Congress. Broadcasting should serve the necessities, the greatest convenience, the highest interest, not of the few but of all the people, as such interest is determined by the most enlightened standards. Such is not the case now, nor is the tendency in that direction. Music constitutes about 75 per cent of all programs, but relatively few musicians are employed. A single band or orchestra is made to serve where many equally good could be employed and should be employed in the public interest. Recorded music, the ordinary kind and that which is specially manufactured for the purpose, and the various methods of reproductions, are largely taking the place of real music. Nor is this practice limited, as necessity or advisability may require, to small stations serving rural territories, but higher power stations serving large and urban sections devote a large part of their time, including evening hours, to programs of such reproduced music. Moreover, mechanical music devices, from the coin-operated machines to those of more extensive character, are in general use. The result of it all is that our people are denied the advantages of living music; music as an art is suffering; and musicians, denied the opportunities for earning a livelihood, are disappearing; all of which is permitted, even stimulated, by Federal statutes and Federal administration.

We respectfully ask that broadcasting methods be modified and changed in many material respects, including the use made of music, the principal component, so as better to serve the interests and advancement of our people as a whole and of American musicians.

#### IV

The plight of American musicians is pitiable and our people are being starved for want of music and its advantages which are rightfully theirs. To-day 72 per cent of the members of our federation are out of employment as musicians; many are endeavoring to find other work in fields already overcrowded and for which they are little suited, and, failing, become objects of charity. Only a few years ago America was fast becoming one of the greatest musical countries of the world; now all that is changed, and not solely nor in greater part because of the present depression, although the depression has borne particularly hard upon us. Even before the depression we were struggling against adversity. We did not share in the general prosperity of a few years ago. While others were prospering, tens of thousands of us were being displaced by the phonograph, the music machine of every kind and description. Then we were met by the disastrous introduction of sound in motion pictures, which alone displaced at one fell blow 23,000 American musicians. Moreover, until this very Congress, which a few months ago passed an effective remedial measure, we had to meet the competition of hordes of alien musicians, of the like of whom we had more than enough to supply every demand, brought here, despite the contract labor law, because they would accept terms and conditions of employment to which no American should be subjected; and the radio, as indicated, has operated to our great detriment and is employed, we think, contrary to the best interests of the American people. In addition to all this, our Government, as represented by the Navy Department, without justification or excuse but with callousness and cruelty, insists that it will continue to permit its bands to play for private individuals and organizations who have no right to be furnished music at public expense and who are abundantly able to supply themselves with such music as they may need. Our Government, by thus catering to the vanity and self-glorification of a few wealthy and influential citizens, cruelly takes food from the mouths of ourselves, our wives, and our helpless children.

We, your petitioners, do humbly pray for a redress of these painful grievances.

THE AMERICAN FEDERATION OF MUSICIANS,  
By JOSEPH N. WEBER, President.

#### MUSCLE SHOALS—AMENDMENT

Mr. BANKHEAD submitted an amendment in the nature of a substitute intended to be proposed by him to the joint resolution (S. J. Res. 15) to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals, in the State of Alabama, to authorize the letting of the Muscle Shoals properties under certain conditions, and for other purposes, which was ordered to lie on the table and to be printed.

#### EXECUTIVE REPORTS OF THE POST-OFFICE COMMITTEE

As in executive session.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the Executive Calendar.

#### EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate a message from the President of the United

States, submitting sundry nominations of postmasters, which was referred to the Committee on Post Offices and Post Roads.

#### RECESS

Mr. SMOOT. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 10 o'clock and 17 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, May 25, 1932, at 11 o'clock a. m.

#### NOMINATIONS

*Executive nominations received by the Senate May 24 (legislative day of May 9), 1932*

#### POSTMASTERS

##### ALABAMA

James H. Turner to be postmaster at Odenville, Ala., in place of J. D. Newton, resigned.

Gladys M. Bomar to be postmaster at Woodward, Ala., in place of Walter Morgan, deceased.

##### ALASKA

Charles A. Sheldon to be postmaster at Seward, Alaska in place of C. A. Sheldon. Incumbent's commission expired May 12, 1932.

##### ARIZONA

Paul D. Snyder to be postmaster at Ajo, Ariz., in place of L. L. Scott. Incumbent's commission expired February 5, 1931.

##### ARKANSAS

Forrest L. Downs to be postmaster at Norphlet, Ark., in place of W. E. Hill. Incumbent's commission expired April 23, 1932.

##### CALIFORNIA

Frances L. Summers to be postmaster at Arbuckle, Calif., in place of F. L. Summers. Incumbent's commission expired March 26, 1932.

William Henson to be postmaster at Riverdale, Calif., in place of William Henson. Incumbent's commission expired January 11, 1932.

Harry E. Meyers to be postmaster at Yuba City, Calif., in place of H. E. Meyers. Incumbent's commission expired May 22, 1932.

##### CONNECTICUT

Edward S. Coulter to be postmaster at Essex, Conn., in place of E. S. Coulter. Incumbent's commission expired May 12, 1932.

Judson B. Griswold to be postmaster at Ivoryton, Conn., in place of J. B. Griswold. Incumbent's commission expires May 29, 1932.

Margaret C. Kelly to be postmaster at Noroton, Conn., in place of M. C. Kelly. Incumbent's commission expires May 26, 1932.

Edward S. Lewis to be postmaster at Portland, Conn., in place of E. S. Lewis. Incumbent's commission expired February 7, 1932.

##### FLORIDA

Elia B. Colson to be postmaster at Deerfield, Fla., in place of E. B. Colson. Incumbent's commission expired July 2, 1930.

Royal W. Storrs to be postmaster at De Funiak Springs, Fla., in place of R. W. Storrs. Incumbent's commission expired February 1, 1931.

John B. Carlin to be postmaster at St. Cloud, Fla., in place of J. B. Carlin. Incumbent's commission expires May 29, 1932.

##### GEORGIA

John T. Cagle to be postmaster at Ball Ground, Ga., in place of J. T. Cagle. Incumbent's commission expired June 7, 1930.

George W. Bryan to be postmaster at Rossville, Ga., in place of C. R. Jones. Incumbent's commission expired December 19, 1931.

##### HAWAII

Antone Silva to be postmaster at Hawi, Hawaii, in place of Antone Silva. Incumbent's commission expires May 25, 1932.



## IDAHO

Edith M. Alexander to be postmaster at Genesee, Idaho, in place of E. M. Alexander. Incumbent's commission expired May 14, 1932.

## ILLINOIS

Russell S. Brown to be postmaster at Brighton, Ill., in place of R. S. Brown. Incumbent's commission expired January 10, 1932.

Orville Donaldson to be postmaster at Edgewood, Ill., in place of M. B. Rush. Incumbent's commission expired May 18, 1930.

Roy O. Benson to be postmaster at Glen Ellyn, Ill., in place of J. H. Wagoner. Incumbent's commission expired June 5, 1924.

Leo M. Stoecklin to be postmaster at Highland, Ill., in place of L. M. Stoecklin. Incumbent's commission expired January 12, 1932.

Fred S. Wallich to be postmaster at Knoxville, Ill., in place of T. W. Collins, deceased.

Leonard E. Sheppard to be postmaster at National Stock Yards, Ill., in place of E. S. McIntyre, deceased.

Eugenia L. Prange to be postmaster at New Douglas, Ill., in place of M. E. Prange, resigned.

John C. Speck to be postmaster at Rankin, Ill., in place of R. C. Auth, resigned.

Laura A. Gregory to be postmaster at Willisville, Ill., in place of L. A. Gregory. Incumbent's commission expired May 12, 1932.

## INDIANA

Herschell A. Vermilya to be postmaster at Brownstown, Ind., in place of C. F. Robertson. Incumbent's commission expired January 13, 1932.

Clara I. Boesen to be postmaster at Griffith, Ind., in place of C. I. Boesen. Incumbent's commission expired May 12, 1932.

George E. Norman to be postmaster at Jasper, Ind., in place of J. J. Himsel. Incumbent's commission expired January 10, 1932.

Glenn B. King to be postmaster at Kirklin, Ind., in place of J. T. Stevenson. Incumbent's commission expired March 16, 1932.

Leland L. Bond to be postmaster at Liberty, Ind., in place of F. B. Husted, deceased.

John A. Jones to be postmaster at Marion, Ind., in place of J. A. Jones. Incumbent's commission expired December 19, 1931.

Harold P. Willoughby to be postmaster at Spencer, Ind., in place of H. P. Willoughby. Incumbent's commission expired May 5, 1932.

Detroit M. Simmons to be postmaster at Winchester, Ind., in place of H. E. McNeese. Incumbent's commission expired February 10, 1932.

George E. Thompson to be postmaster at Wingate, Ind., in place of Austin Palin. Incumbent's commission expired January 11, 1932.

## IOWA

Della J. Riordan to be postmaster at Correctionville, Iowa, in place of O. P. Riordan, deceased.

Calvin C. Knoll to be postmaster at Gilmore City, Iowa, in place of C. C. Knoll. Incumbent's commission expired May 14, 1932.

Frederick J. Okell to be postmaster at Lewis, Iowa, in place of F. A. Okell, deceased.

Pearl M. Kraft to be postmaster at Melvin, Iowa, in place of George Kraft, deceased.

Robert E. Hill to be postmaster at Oxford Junction, Iowa, in place of F. E. Moravec. Incumbent's commission expired May 14, 1932.

## KANSAS

Herbert L. Fryback to be postmaster at Colby, Kans., in place of H. L. Fryback. Incumbent's commission expired May 12, 1932.

Carroll B. Kelly to be postmaster at Wakeeney, Kans., in place of C. B. Kelly. Incumbent's commission expired December 19, 1931.

## KENTUCKY

Susie H. Curran to be postmaster at Bedford, Ky., in place of S. H. Curran. Incumbent's commission expires May 29, 1932.

Everett Hickman to be postmaster at Burlington, Ky., in place of Everett Hickman. Incumbent's commission expired March 3, 1931.

George D. Scott to be postmaster at Carlisle, Ky., in place of W. M. Insko. Incumbent's commission expired March 29, 1926.

George L. Wallace to be postmaster at Central City, Ky., in place of J. P. Lawton. Incumbent's commission expired May 23, 1932.

Trilby A. Russell to be postmaster at Kevil, Ky., in place of T. A. Russell. Incumbent's commission expired May 23, 1932.

Gertrude Berry to be postmaster at La Center, Ky., in place of Gertrude Berry. Incumbent's commission expired May 23, 1932.

Mattie L. Wood to be postmaster at Russellville, Ky., in place of Homer Felts. Incumbent's commission expired May 17, 1932.

Henry H. Hargan to be postmaster at Vine Grove, Ky., in place of H. H. Hargan. Incumbent's commission expired January 5, 1930.

Harry Beall to be postmaster at Warsaw, Ky., in place of Harry Beall. Incumbent's commission expired March 3, 1931.

Era W. Peniston to be postmaster at Wilmore, Ky., in place of F. W. Rice, deceased.

## LOUISIANA

Mildred P. Prescott to be postmaster at Litcher, La., in place of M. P. Prescott. Incumbent's commission expires May 29, 1932.

## MARYLAND

Walter J. Crowe to be postmaster at East New Market, Md., in place of J. M. Richardson. Incumbent's commission expired December 15, 1931.

Esther C. Baker to be postmaster at Woodbine, Md., in place of E. C. Baker. Incumbent's commission expires May 26, 1932.

## MASSACHUSETTS

Henry N. Wixon to be postmaster at Dennis Port, Mass., in place of D. N. Wixon, resigned.

## MICHIGAN

Frank Beedon to be postmaster at Croswell, Mich., in place of J. M. Jackson. Incumbent's commission expired January 9, 1932.

Benjamin W. Somers to be postmaster at Hesperia, Mich., in place of B. W. Somers. Incumbent's commission expired May 16, 1932.

Margaret J. Stuber to be postmaster at Lexington, Mich., in place of I. O. Pessley. Incumbent's commission expired January 9, 1932.

## MINNESOTA

Homer B. Hanson to be postmaster at Morton, Minn., in place of Mattie Dains. Incumbent's commission expired January 29, 1931.

Dennis T. Mulhern to be postmaster at Waverly, Minn., in place of E. J. Giblin, removed.

## MISSISSIPPI

John B. Going to be postmaster at Calhoun City, Minn., in place of J. B. Going. Incumbent's commission expired May 8, 1932.

Ernest McC. Hawkins to be postmaster at Corinth, Miss., in place of Lee Gray. Incumbent's commission expired March 28, 1932.

Mills T. Williams to be postmaster at Durant, Miss., in place of D. J. Crawford, resigned.

Lena W. Price to be postmaster at Tutwiler, Miss., in place of J. L. Donald. Incumbent's commission expired February 14, 1927.



Francis C. Hayden to be postmaster at Vaughan, Miss., in place of F. C. Hayden. Incumbent's commission expired March 5, 1932.

## MISSOURI

Earl E. Pillow to be postmaster at Clarkton, Mo., in place of W. B. Ashbaugh. Incumbent's commission expired December 19, 1931.

Henry A. Illers to be postmaster at Jackson, Mo., in place of J. G. Kies. Incumbent's commission expired January 13, 1932.

## NEBRASKA

Milton R. Cox to be postmaster at Arapahoe, Nebr., in place of M. R. Cox. Incumbent's commission expired May 2, 1932.

Edward F. Farley, jr., to be postmaster at Bancroft, Nebr., in place of E. F. Farley, jr. Incumbent's commission expired May 12, 1932.

Hannah P. Eggleston to be postmaster at Bennet, Nebr., in place of H. P. Eggleston. Incumbent's commission expired May 7, 1932.

W. Ross Pedley to be postmaster at Bertrand, Nebr., in place of W. R. Pedley. Incumbent's commission expired December 19, 1931.

Stanley E. Hemenway to be postmaster at Clearwater, Nebr., in place of S. E. Hemenway. Incumbent's commission expired May 12, 1932.

Archie L. Smith to be postmaster at Imperial, Nebr., in place of A. L. Smith. Incumbent's commission expired May 12, 1932.

Jacob H. Jimerson to be postmaster at Liberty, Nebr., in place of J. H. Jimerson. Incumbent's commission expires May 26, 1932.

Charles O. Lewis to be postmaster at Marquette, Nebr., in place of C. O. Lewis. Incumbent's commission expired May 17, 1932.

Frank C. Patton to be postmaster at Omaha, Nebr., in place of J. D. Ringer, deceased.

Arthur H. Logan to be postmaster at Ponca, Nebr., in place of A. H. Logan. Incumbent's commission expired May 7, 1932.

Myrtle L. Anderson to be postmaster at Republican City, Nebr., in place of M. L. Anderson. Incumbent's commission expired February 26, 1931.

Lawrence A. Kibbee to be postmaster at Winnebago, Nebr., in place of L. A. Kibbe. Incumbent's commission expired December 19, 1931.

## NEW JERSEY

Lyle W. Morehouse to be postmaster at Little Falls, N. J., in place of L. W. Morehouse. Incumbent's commission expired May 14, 1932.

Harry B. Mason to be postmaster at Pompton Lakes, N. J., in place of H. B. Mason. Incumbent's commission expired May 14, 1932.

## NEW YORK

Miles C. Dales to be postmaster at Laurens, N. Y. Office became presidential July 1, 1931.

Clarence H. Ash to be postmaster at Nedrow, N. Y. Office became presidential July 1, 1931.

Copeland E. Smith to be postmaster at Olean, N. Y., in place of C. E. Smith. Incumbent's commission expired May 14, 1932.

J. Frank Smith to be postmaster at Patterson, N. Y., in place of J. F. Smith. Incumbent's commission expired May 5, 1932.

Alfred M. Butts to be postmaster at Sag Harbor, N. Y., in place of G. H. Farley. Incumbent's commission expired January 10, 1932.

William K. Dunwell to be postmaster at Southampton, N. Y., in place of Charles Blackburn. Incumbent's commission expired March 14, 1932.

## OHIO

Pearl W. Athey to be postmaster at Belpre, Ohio, in place of P. W. Athey. Incumbent's commission expired May 16, 1932.

Nestor J. Taylor to be postmaster at Beverly, Ohio, in place of N. J. Taylor. Incumbent's commission expired May 16, 1932.

William F. Kubicek to be postmaster at Independence, Ohio, in place of Lillian Mumea. Incumbent's commission expired February 6, 1932.

Robert E. Friel to be postmaster at Lore City, Ohio, in place of R. E. Friel. Incumbent's commission expired May 10, 1932.

Don B. Stanley to be postmaster at Lowell, Ohio, in place of D. B. Stanley. Incumbent's commission expired May 10, 1932.

William A. Ray to be postmaster at Mount Sterling, Ohio, in place of W. A. Ray. Incumbent's commission expired May 25, 1932.

Frank M. Murphy to be postmaster at Murray City, Ohio, in place of F. M. Murphy. Incumbent's commission expired May 16, 1932.

Rufus A. Borland to be postmaster at West Jefferson, Ohio, in place of R. A. Borland. Incumbent's commission expires May 25, 1932.

## OKLAHOMA

Joseph H. Hopkins to be postmaster at Woodward, Okla., in place of L. M. Hopkins, deceased.

## PENNSYLVANIA

David E. Trone to be postmaster at Clarendon, Pa., in place of D. E. Trone. Incumbent's commission expires May 29, 1932.

Harry C. Best to be postmaster at Enon Valley, Pa., in place of H. C. Best. Incumbent's commission expired January 24, 1932.

Christian A. Jansen to be postmaster at Essington, Pa., in place of C. A. Jansen. Incumbent's commission expired March 7, 1932.

Dewey W. Sechler to be postmaster at Fairchance, Pa., in place of D. W. Sechler. Incumbent's commission expired June 22, 1930.

Bernard E. Stansfield to be postmaster at Mechanicsburg, Pa., in place of J. L. Eppley, retired.

Stanley L. Campbell to be postmaster at New Albany, Pa., in place of S. L. Campbell. Incumbent's commission expires May 29, 1932.

Lake S. MacNab to be postmaster at New Castle, Pa., in place of E. W. Crawford. Incumbent's commission expired January 10, 1932.

Naomi G. Hazell to be postmaster at Norwood Station, Pa., in place of N. G. Hazell. Incumbent's commission expired January 18, 1932.

William E. Brooks to be postmaster at Ridley Park, Pa., in place of W. E. Brooks. Incumbent's commission expired April 9, 1932.

Homer B. Asheld to be postmaster at Tunkhannock, Pa., in place of H. B. Asheld. Incumbent's commission expires May 26, 1932.

## SOUTH DAKOTA

Floyd Twamley to be postmaster at Alexandria, S. Dak., in place of Floyd Twamley. Incumbent's commission expired May 10, 1932.

Ralph L. Hazen to be postmaster at Canistota, S. Dak., in place of R. L. Hazen. Incumbent's commission expired May 10, 1932.

John W. Coverdale to be postmaster at Elk Point, S. Dak., in place of J. W. Coverdale. Incumbent's commission expires May 26, 1932.

Francis Smidt to be postmaster at Freeman, S. Dak., in place of Francis Smidt. Incumbent's commission expires May 26, 1932.

Hellen S. Angus to be postmaster at Humboldt, S. Dak., in place of H. S. Angus. Incumbent's commission expired May 10, 1932.

Charles J. Moriarty to be postmaster at Marion, S. Dak., in place of C. J. Moriarty. Incumbent's commission expired May 10, 1932.



Clyde C. Asche to be postmaster at Olivet, S. Dak., in place of C. C. Asche. Incumbent's commission expired May 10, 1932.

Mae George to be postmaster at Ravinia, S. Dak., in place of Mae George. Incumbent's commission expired May 10, 1932.

Cyrus J. Dickson to be postmaster at Scotland, S. Dak., in place of C. J. Dickson. Incumbent's commission expired May 10, 1932.

Charles Sundling to be postmaster at Vermillion, S. Dak., in place of Charles Sundling. Incumbent's commission expires May 26, 1932.

Howard R. Mortenson to be postmaster at Viborg, S. Dak., in place of H. R. Mortenson. Incumbent's commission expires May 26, 1932.

Lewis W. Ford to be postmaster at Wakonda, S. Dak., in place of L. W. Ford. Incumbent's commission expires May 26, 1932.

Will C. Bromwell to be postmaster at Wessington Springs, S. Dak., in place of W. C. Bromwell. Incumbent's commission expires May 26, 1932.

#### TENNESSEE

James H. Clonts to be postmaster at Isabella, Tenn. Office became presidential July 1, 1931.

Rennie G. Connelly to be postmaster at Lyles, Tenn., in place of R. G. Connelly. Incumbent's commission expired May 19, 1932.

#### UTAH

John McPhee to be postmaster at Salt Lake City, Utah, in place of John McPhee. Incumbent's commission expired May 22, 1932.

#### VIRGINIA

Arthur B. Parker to be postmaster at Onancock, Va., in place of E. P. Schultz. Incumbent's commission expired January 5, 1932.

#### WEST VIRGINIA

Gertrude O. Smith to be postmaster at Oak Hill, W. Va., in place of G. O. Smith. Incumbent's commission expired May 10, 1932.

Homer S. Hatfield to be postmaster at Williamson, W. Va., in place of W. E. Hatfield, resigned.

#### WISCONSIN

John A. Dickerson to be postmaster at Edgerton, Wis., in place of J. A. Dickerson. Incumbent's commission expires May 26, 1932.

#### WYOMING

Edna M. Booth to be postmaster at Sunrise, Wyo., in place of E. M. Booth. Incumbent's commission expired April 23, 1932.

## HOUSE OF REPRESENTATIVES

TUESDAY, MAY 24, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We thank Thee, Merciful Father, that Thou dost always hold before us some beautiful ideal, some radiant light, some great height which can be attained by help divine. Thou dost not leave us alone to go wandering without chart or compass. O write the Beatitudes in our hearts, lest we lose their music and go fumbling at some broken string. O write the Decalogue on the tablets of our memories, and may it always attest the handwriting of the finger of God. By these may we always be beckoned away from the lower plains of life. The mouth of the Lord hath spoken great and precious promises, and none can ever destroy the covenant of the Ancient of Days. Meet us to-day with a blessing that falls like an angel's spirit from the upper places. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### BEER TAX

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their own remarks on the so-called beer bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. UNDERHILL. Mr. Speaker, reserving the right to object, I do not object to the gentleman from New York or the gentleman from Texas, who led the fight for and against the bill, extending their remarks; but to throw it open to all Members of the House neither adds nor subtracts anything from the merits of the question. It has been settled for this session, and it is only incurring an expense that ought not to be placed on the taxpayers.

Mr. BLANTON. This is an important question that affects every Member here alike, and every Member ought to have the same right.

Mr. SNELL. I object.

Mr. O'CONNOR. Then, Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill may extend their remarks.

Mr. SNELL. There will be nothing new added to what has already been said.

Mr. O'CONNOR. Just a minute—I had 10 minutes, and I gave away 9, 6 of which was given to the gentleman's side of the House. Now, I ask unanimous consent to revise and extend my own remarks.

The SPEAKER. The Chair will put one request at a time. What is the request of the gentleman from New York?

Mr. O'CONNOR. I ask unanimous consent that I may be permitted to revise and extend my own remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, to-day the House of Representatives is afforded the second opportunity to vote on the universally discussed question of prohibition.

On March 14 of this year 187 Members of this House voted to submit to the people, by way of conventions, the question of continuing the eighteenth amendment in its present form. Unfortunately the vote was not sufficiently large to afford the people an opportunity they have never had to express their sentiments on this much-mooted question.

The vote to be taken here to-day will determine how many representatives of the people still support that "legislative lie," the Volstead Act. It will also serve as a medium of ascertaining how many men and women here are more concerned with the economic welfare of the country by levying nonnuisance taxes sufficient to support the Government and balance the Budget than they are concerned with the threats of the Anti-Saloon League and other minority groups.

It is unfortunate that the "discharge rule" under which my motion was made was not more closely scanned at the time of its adoption. In actual practice, however, its unfairness is apparent. I venture to say that 90 per cent of the membership of the House believe that the rule meant that if 145 Members signed a petition the bill would come before the House for consideration and discussed on its merits. Such is not the fact, however. A majority of all Members present is still necessary before the bill is actually before the House for consideration.

Therefore I appeal to all the Members of the House, whether they be wet or dry, to vote to discharge the committee so that this measure may be read to the House and considered by it. The bill has never had any consideration anywhere.

On March 2, 1932, the bill H. R. 10017 was introduced by me and on the same day referred to the Committee on Ways and Means. I communicated by letter and personally with every member of that committee requesting a hearing. None was ever granted. After waiting about six weeks I lodged my petition on the desk. On May 14, 1932, the one hundred and forty-fifth signature was affixed to the petition.

Surely there is sufficient demand throughout this country from the people in every part to entitle them to a real consideration of the bill on its merits. A vote to consider the